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ABSTRACT

A problem for small states is how to access specialist knowledge when the national pool of human resources is small. This is a difficulty for ministries of education and educational institutions. The usual response is to draw on technical assistance, often as part of a wider aid package, from industrialized countries or international agencies. But there is scope for developing the capacity of universities within small states to provide consultancy services. This offers a way for institutions of higher education to play a stronger role in national education development. The result of a training workshop on educational consultancy in small states, this manual has three parts. Part One examines demographics of small states; factors influencing their choice of consultants; and the nature of consulting (including a definition), why consultants are used, consultancy as an agent of change, and the ethics of consultancy. Part Two presents a five-phase model of the consulting process and the skills required for successful consulting. Part Three examines key considerations in developing a consulting business, including planning, structure and administration, marketing, and management of assignments. Case studies illustrate the consultancy dilemmas of small states and describe existing university-based consultancies in four small states. Contains an 80-item bibliography for further reading with the following sections: managing consulting organizations; selecting and using consultants; consulting skills; communication and report writing skills; consulting in education; education in small states; and general topics. Contains 15 references. (TD)

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ED 389 491

Educational Development in the Small States of the Commonwealth

Educational Consultancy in Small States

Marie-Pierre Lloyd
Steve Packer

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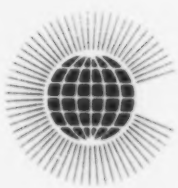
EDUCATIONAL CONSULTANCY IN SMALL STATES

A source book

Marie-Pierre Lloyd
Steve Packer



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Preface

An inescapable problem for small states is how to access specialist knowledge when the national pool of human resources is constrained by size. This is a difficulty for ministries of education and for educational institutions. The most usual response to this situation is to draw on technical assistance, often as part of a wider aid package, from industralised countries or international agencies. These relationships based on technical assistance will continue. But there is scope for developing the capacity of universities within small states, national and regional, to provide specialist consultancy services. This offers a productive way for institutions of higher education to play a much stronger role in support of national education development.

This theme, and its practical skills development implications, formed the subject of a pan-Commonwealth training workshop held at the University of the South Pacific's Vanuatu complex in 1992. The workshop was funded by the Commonwealth Fund for Technical Co-operation and AIDAB, and designed by the Education Programme of the Commonwealth Secretariat, the University of the South Pacific and AIDAB's Centre for Pacific Development and Training. Representatives from universities of small states (Guyana, Malta, Papua New Guinea, South Pacific and West Indies) met ministry officials to explore how the universities could develop a stronger advisory function, the skills required of an individual consultant, and ways in which the universities could be better organised to provide consultancy services.

The workshop participants asked that the materials used in Vanuatu be brought together in a single volume in *The Challenge of Scale* series and be disseminated to universities, ministries and agencies. This work has been undertaken by Marie-Pierre Lloyd with Steve Packer, both of whom were members of the design team for the workshop.

The Commonwealth Secretariat acknowledges with gratitude the financial support provided by AIDAB for this volume.

Education Department
Human Resource Development Division
Commonwealth Secretariat
1993

Note on the authors

Marie-Pierre Lloyd is a sociologist currently working as an independent Management and Public Administration and Social Development Consultant specialising in community development; participatory development; women in development and gender with particular reference to the small states context. She has previously held various senior positions at the highest level in the Public Service in Seychelles, where she was born.

Steve Packer worked as a Chief Project Officer with the Commonwealth Secretariat from 1977 to 1993. For much of that period he led and implemented a Commonwealth programme in support of educational development in small states.

Introduction

In 1992, a pan-Commonwealth training workshop on educational consultancy in small states was organised at the University of the South Pacific's Vanuatu complex. The Vanuatu Workshop participants recommended that the materials used and the ideas exchanged at the workshop be compiled into a resource manual.

Objective and use

This manual is primarily intended for tertiary institutions in the small states of the Commonwealth. It can serve as an introduction to those interested in gaining professional knowledge of consultancy and also as a guide to those already providing consultancy services who wish to develop and enhance their existing practice and skills.

The material will also be useful to a wider audience, including ministries of education, educational practitioners and others who want to start or develop their consultancy practice and/or skills. The subject areas that could be covered for such a purpose are many, and organisations, like individual consultants, vary in their level of consultancy competence and experience. This manual can therefore only provide an introduction to key considerations. It focuses on those issues identified by the participants in the Vanuatu Workshop as critical to the development of their own institutions.

Structure

The manual is in three parts.

- Part One puts the subject matter in perspective, setting the context and focusing on the nature and scope for consultancy.
- Part Two describes the consultancy process in terms of its constituent phases and looks at the skills required for successful consulting.
- Part Three examines some of the key considerations in running or developing consultancy as a business and covers business planning, structure and administration, marketing, and management of assignments.

Case studies

Six photocopiable case studies are included; each is self-contained and each is quite individual. Together, they provide scope for users of this manual to compare and contrast a range of situations.

Part One

THE CONTEXT

The circumstances in small states 1

Characteristics

There are a large number of small states. One recent study lists 79 states and territories with populations below 1.5 million (Bray and Packer, 1993, p. xxii). The geographical distribution of these states is shown in Figure 1 which highlights the concentration of small countries in the Caribbean and the Pacific.

Of the 79 states listed in Figure 1, 64 have a population below 500,000 and 35 have a population under 100,000; 59 of the 79 are island states and territories, of which 38 are multi-island countries. Though characterised by smallness of population and, in most cases, land area (35 of the 79 have a land area under 500 square kilometres) small states show great diversity in respect of wealth, language, political systems and regional affiliations. However, one important common factor is that average aid per capita is high in relation to other developing countries. In 1988, for a sample of 54 small states, average aid per capita was US$463 compared with US$12 for all developing countries.

Education systems

Another common characteristic of all small states is the existence of a national education system. This is true in the smallest of states and in territories which are not fully independent. The main features of Vanuatu's education system are itemised in Figure 2. By international standards, the number of institutions is small. It is a system which is truncated at its upper end; a situation resolved in part by membership of a regional university and by overseas scholarships. For most small states, it is not possible to provide a broad range of post-secondary opportunities in-country. The demand for any one course is small and variable, and economies of scale cannot be realised. In Vanuatu's case, its unique language inheritance and multi-island geography pose particular challenges for the development of an effective education system.

And yet, however small the state, the essentials of any education system have to be met: trained teachers, curricula, examinations, schools, scholarships, books and other materials. The infrastructure and the expertise to ensure that a system is up and running has to be in place. In small states this is achieved through a central ministry of education, although in some countries (for

Figure 1 The dimensions of scale: 79 States with populations below 1.5 million (by region)

Africa (8)	**Asia** (8)	**Atlantic** (8)	**Caribbean** (20)
Botswana	Bahrain	Bermuda	Anguilla
Djibouti	Bhutan	Cape Verde	Antigua & Barbuda
Equatorial Guinea	Brunei Darussalam	Falkland Islands	Aruba
Gabon	Macau	Faeroe Islands	Bahamas
The Gambia	Oman	Greenland	Barbados
Guinea Bissau	Qatar	Iceland	Belize
Mauritania	United Arab Emirates	St. Helena	British Virgin Is.
Namibia		Sao Tome & Principe	Cayman Islands
			Dominica
			Grenada
			Montserrat
			Netherlands Antilles
			St Kitts–Nevis
			St Lucia
			St. Vincent & the Grenadines
			Surinam
			Trinidad & Tobago
			Turks & Caicos Is.
			US Virgin Islands
Europe (9)	**Indian Ocean** (4)	**Mediterranean** (2)	**Pacific** (20)
Andorra	Comoros	Cyprus	American Samoa
Gibraltar	Maldives	Malta	Palau
Guernsey	Mauritius		Cook Islands
Isle of Man	Seychelles		Federated States of Micronesia
Jersey			Fiji
Liechtenstein			French Polynesia
Luxembourg			Guam
Monaco			Kiribati
San Marino			Marshall Islands
			Nauru
			New Caledonia
			Niue
			Northern Marianas
			Solomon Islands
			Tokelau
			Tonga
			Tuvalu
			Vanuatu
			Wallis & Futuna
			Western Samoa

Source: Mark Bray and Steve Packer *Education in Small States: Concepts, Challenges and Strategies*, Oxford, Pergamon Press, 1993

Figure 2 Vanuatu's education system

Vanuatu: population 157,000 (1990); an archipelago of over 80 islands; Melanesian; 200 distinct local languages

Educational institutions	Key facts and statistics
Primary schools (1990)	267 primary schools (grades 1–6; 24,952 students) 166 English language (15,552 students) 49 French language (3,835 students) 39 Catholic (4,993 students) 13 Protestant (572 students) 830 primary teachers Multi-class teaching in 20–30 per cent of schools
Secondary schools	18 secondary schools (15 junior secondary, 3 senior secondary) Total enrolment: 3,799 (351 senior secondary)
Vanuatu Teachers College	Primary enrolment: 94 Secondary enrolment: 43
National Institute of Technology	Total enrolment: 456
University of the South Pacific	Vanuatu is a member country of the regional university Equivalent full time student enrolments: 46 USP has complex in Port Vila, the Vanuatu capital

Figure 3 Dominica: Regional organisations

The Organisation of Eastern Caribbean States
The University of the West Indies
The Caribbean Examinations Council
The Caribbean Development Bank
CARICOM (The Caribbean Community)
The Association of Caribbean Tertiary Institutions (ACTI)
The Caribbean Association of Technical and Vocational Education and Training (CATVET)

Figure 4 Seychelles: Aid relationships in support of education

Bilateral assistance
Australia Belgium Canada China Cuba France Germany India Japan Malaysia Netherlands Nigeria North Korea Sweden Switzerland UK USA and USSR

International organisations
WHO CFTC UNESCO UNFPA UNDP Commonwealth Youth Programme

Institutional linkages
The University of Quebec (Canada)
The University of Sussex (UK)

example, in Tonga) the church is an important provider.

Most small states also have to lock into regional and international systems of aid and educational services to supplement and support national provision. Regional universities in the Caribbean and the South Pacific are one aspect of this. Figure 3 illustrates, through the example of Dominica in the Caribbean, the types of regional relationships which have to be maintained.

Aid and its attendant linkages form another important component of the support for the national education system in many small states. Figure 4 indicates the situation in Seychelles in the late 1980s. However, obtaining and sustaining these linkages requires time and expertise. Seychelles is also a country which retains a heavy dependence on expatriate personnel: in 1988, 15 in the Ministry of Education; 300 in the nation's schools.

So, on the one hand, small state systems of education are relatively easy to comprehend in terms of numbers and internal structures. On the other, the maintenance and development of systems necessitates a complex set of arrangements to ensure that professional knowledge and expertise are available.

Sources of expertise

Small states have a relatively small pool of human resources on which to draw in order to fulfil their high level manpower requirements in all sectors of the economy. Education is no exception. In some countries this situation is exacerbated by migration. For example, in the Polynesian countries Tonga and Western Samoa, it is estimated that up to 70 per cent of all post-secondary graduates have emigrated. The employment of expatriates, with all its attendant difficulties, may be one alternative.

Faced with the need to develop and sustain educational services, ministries of education in small states draw professional expertise for advisory/consultancy services from the following main sources:

- government service
- national institutions of higher education
- the wider national community
- regional institutions of higher education
- aid agencies
- international organisations
- metropolitan consultants.

Figure 5 summarises some of the characteristics of these sources of expertise as discussed at the Vanuatu Workshop. Governments and their ministries of education have to obtain expertise from these national, regional and international sources and make choices, if choices are not foisted upon them, as to which is the most appropriate. In establishing new services, new institutions, new curricula, new examinations and the like, expertise from beyond national frontiers is invariably required. In training in new skills, outside support is a probability in systems with a limited internal training capacity.

Factors determining choice

From the standpoint of governments and their ministries of education in small

Figure 5 Characteristics of sources of expertise

Source	Comments
Government services	Ministries of education are the main source Few small state ministries can provide expertise across the spectrum of educational services
National institutions of higher education	Few small states have national universities (Malta, Cyprus and Mauritius are exceptions) The majority of developing small states have a single post-secondary institution with a limited capacity to advise ministries
The wider national community	There is development of private educational consultancy firms in some small states (notably in the Caribbean) Church education systems and institutions provide a source of expertise NGOs are active in technical training and literacy
Regional institutions of higher education	Universities are developing a consultancy capacity through institutes/schools of education or as part of a university consultancy company Universities offer regional (UWI, USP) or national expertise A service on call
Aid agencies	Consultancy is often part of an aid package Bilateral agencies often subcontract consultancy work within their home countries Consultants are answerable to the agencies Consultants may or may not know the country
International organisations	A mix of using their own staff, contracting staff or supporting local consultants Regionally-based organisations are more likely to tap national /regional expertise
Metropolitan consultants	Growth of western university-based consultancy services Metropolitan consultants are often contracted by aid agencies Metropolitan consultants market their wares direct to governments

states, there is first a determination to build up national capacity within their own ministries. However, as Figure 6 shows, it may be difficult to establish a sustained in-house capacity in all areas.

In going beyond the ministry (nationally, regionally or internationally) a range of factors comes into play. There are financial, political, professional and managerial considerations.

The Vanuatu Workshop highlighted a range of situations. Governments may be ambivalent about where best to tap expertise. The attractions for governments and their ministries of education in using national or regional capacity include:

- Expertise is relatively close at hand and known.
- Consultants are likely to be familiar with national contexts.
- Charges may be low or non-existent.
- There is the likelihood of on-going links and relationships.
- Institutions in which governments have a stake can be used.

The reasons for not using national or regional expertise include:

- An unwillingness to trust institutions or individuals which lack a proven consultancy track record.
- Local consultants are less likely to have access to aid/development funds.
- A belief that metropolitan countries offer the 'best' expertise.
- An unwillingness to pay for consultancy services from institutions which countries feel that they are already supporting financially.

In many circumstances, small states have little choice over who consultants should be. This is especially the case when agencies require consultancy work to be undertaken in preparation for an aid programme. A half-way house may be achieved if the agency is willing, for example, to involve a regional university, as a part of a consultancy team. It has been a source of aggravation to national and regional universities that they have been by-passed, although there is some evidence to show that there is a growing willingness to consider partnerships of this sort.

Ministries in small states may be swayed by other considerations. They may be persuaded by the marketing blandishments of overseas consulting institutions; by the personal links which individuals in ministries may have with metropolitan institutions; or by an assessment of the management implications for the ministry which may arise. Some ministries (those, for example, of The Gambia and Seychelles) have established units within ministries of education which have responsibility for the management of overseas projects including consultancy work. Relative to the many demands placed on ministries by agencies and by individual consultants, this is time-consuming work.

Another consideration is the capacity within ministries in small states to make rational judgements on the quality of professional advice, either in terms of choosing the most suitable source of expertise or in assessing the product of a consultant's work.

From the standpoint of institutions of higher education in small states, all these factors come into play in the effort to become a significant source of advice and expertise in support of the national system of education. The professionalism of teaching and research is not all that consultancy work requires, as this manual seeks to demonstrate. The politics and the management of

Figure 6 Specialised units/posts in selected Commonwealth ministries of education

Country	Plan-ning	Inspect-ions	Guid-ance	Curric-ulum	Exams	Tchr Trng	Tech Educ	Adult Educ	Pre-School	Research/ Evaluat'n	Broad-casts	Libraries	Int. Aid unit	Special Educ	Bldg
Montserrat	yes	no	no	yes	no	no	yes	no	yes	no	no	no	no	no	yes
Cook Islands	no	yes	no	yes	no	yes	no	no	no	yes	no	no	no	no	yes
Kiribati	no	no	no	yes	no	yes	yes	no	no	no	yes	yes	no	no	no
Seychelles	yes	no	no	yes	yes	no	yes	no	no	yes	no	no	yes	no	yes
Dominica	no	no	no	yes	no	yes	yes	yes	no	no	no	yes	no	no	no
Jersey	no	yes	yes	no	no	no	no	no	yes	no	no	yes	no	yes	no
Tonga	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no
St Lucia	yes	no	no	yes	yes	no	no	yes	yes	yes	no	yes	no	no	yes
Western Samoa	no	yes	no	yes	yes	yes	no	no	no	yes	yes	yes	no	no	no
Maldives	yes	yes	no	yes	yes	yes	no	yes	no	no	no	no	yes	no	yes
Brunei Dsm	yes	yes	yes	yes	yes	yes	yes	no	no	yes	no	no	no	no	no
Barbados	yes	yes	yes	yes	yes	no	no	no	yes	yes	no	yes	no	no	yes
Solomon Islands	yes	yes	yes	yes	yes	no	no	no	no	no	no	yes	no	no	no
Malta	yes	yes	yes	yes	yes	no	yes	yes	yes	no	yes	yes	no	yes	no
The Gambia	yes	yes	yes	yes	no	yes	yes	yes	no	no	no	yes	no	no	yes
Guyana	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	yes	no	no	yes
Botswana	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes	no	no	no	yes

Notes: 1. The countries have been ranked in ascending order of population size.
2. Functions have been indicated only according to whether they are specifically named in the title of a job or unit. Some functions, of course, are still carried out even though they are not identified in the title.

Source: Mark Bray *Making small practical: The organisation and management of ministries of education in small states,* Commonwealth Secretariat Publications, 1991

consultancy to meet the needs of governments which have a strong controlling hand in institutions of higher education, require a clearly articulated position; the consultancy function cannot be an add-on, to be undertaken as and when time allows.

The higher education institutions have to develop close professional relationships with aid agencies and international organisations; demonstrate ability to provide specialist knowledge; and understand the processes by which agencies function.

The nature and purpose of consulting 2

Consulting: a definition

> The assistance rendered to a client which could solve a problem and thereby bring about a change or improvement in a state of affairs within some clearly defined area of activity, for example, education
>
> Participants in the Commonwealth workshop on education consultancy skills, Vanuatu 1992

There are many definitions of consultation and its application to educational problems (Steele, 1975, p. 3; Block, 1981, pp. v, 2; Greiner and Metzger, 1983, p. 7). A number of characteristics can be identified as common amongst them. Generally, consultancy is seen as the provision of an *independent* and *objective* professional service in identifying organisational problems, analysing situations, recommending actions and, if required, assisting in the implementation of these solutions.

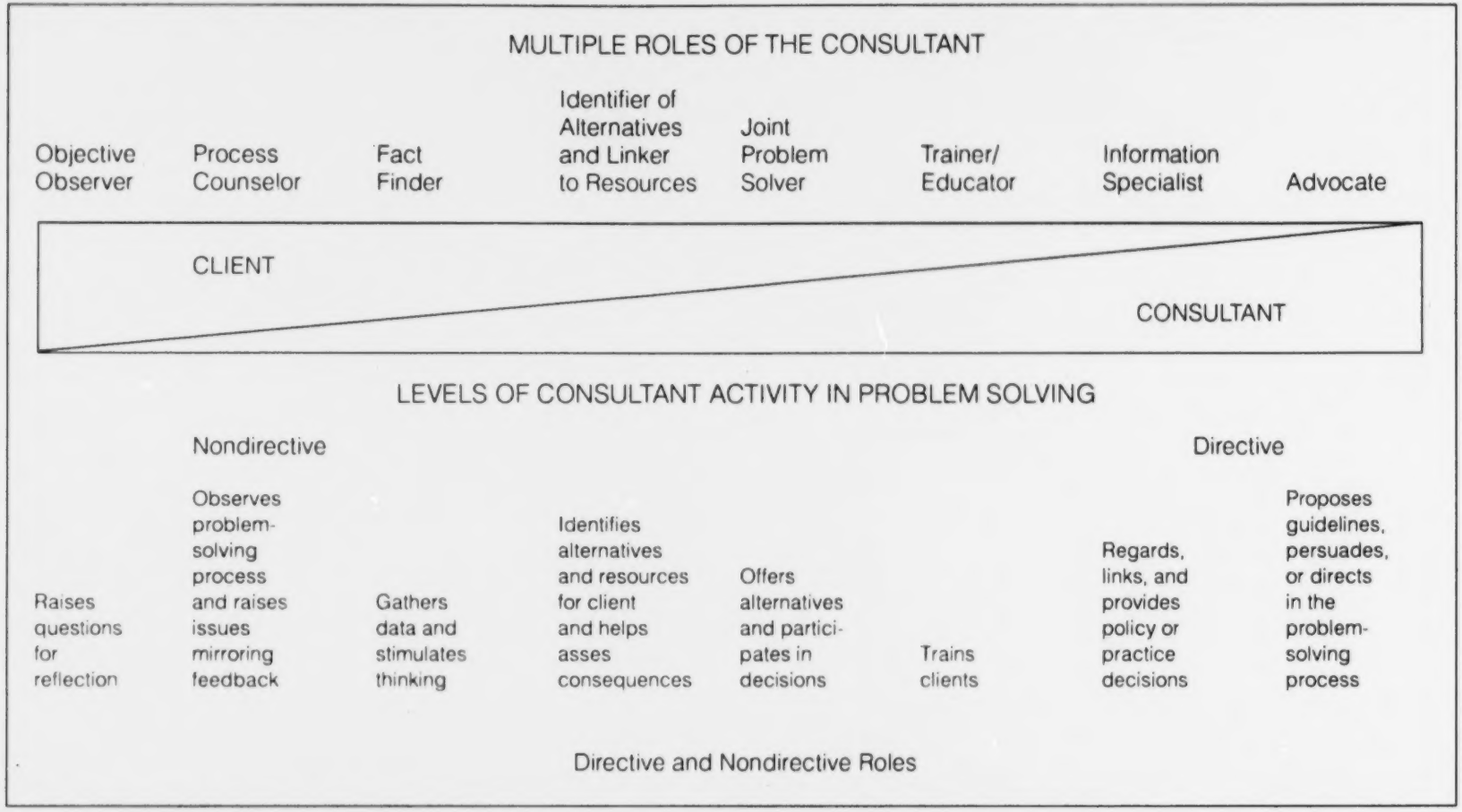
What do consultants do?

A consultant's work can be described in terms of his/her area of expertise, for example, management, curriculum development, etc. One can also describe the consultancy process as a sequence of phases: contact, contracting, entry, data collection, diagnosis, feedback and implementation. It has been suggested that a more useful way of analysing what consultants do, is to consider the purpose of the consultancy process (Turner, 1982). Clarity about the objectives and goals of consultancy certainly influences an assignment's success.

There are a number of reasons why advisers/consultants do not operate effectively. Some of the problems which may reduce their effectiveness are related to the design of the technical assistance project, failure of the government to specify what it wants the adviser to do, conflicting instructions from the international agency employing the adviser, and a lack of clear understanding by the adviser of what is his/her role.

We agree with J. Woods that many consultants, however dedicated they may be, do not fully understand the role they are to perform (Woods, 1980, p.2).

Figure 7 Multiple roles of the consultant


MULTIPLE ROLES OF THE CONSULTANT
Objective Observer
Process Counselor
Fact Finder
Identifier of Alternatives and Linker to Resources
Joint Problem Solver
Trainer/ Educator
Information Specialist
Advocate
CLIENT
CONSULTANT
LEVELS OF CONSULTANT ACTIVITY IN PROBLEM SOLVING
Nondirective
Directive
Raises questions for reflection
Observes problem-solving process and raises issues mirroring feedback
Gathers data and stimulates thinking
Identifies alternatives and resources for client and helps asses consequences
Offers alternatives and partici-pates in decisions
Trains clients
Regards, links, and provides policy or practice decisions
Proposes guidelines, persuades, or directs in the problem-solving process
Directive and Nondirective Roles

Source: Robin Bishop, IPACE Institute, University of NSW

Defining expectations and roles

It is important to define at the outset the roles of the consultant and those of the client. Who will do what, when and how? There is a whole range of consultative roles a consultant can play. Different situations and client expectations lead to different definitions of the consultant's role and intervention methods. There are a number of situational roles along a directive and non-directive continuum, as illustrated in Figure 7. In the directive role, the consultant assumes a position of leadership or initiates activity. In the non-directive role he/she provides data for the client to use or not. These multiple roles and the multidimensional nature of consulting result in ambiguity. Organisational theorists see this ambiguity as an integral part of organisational life.

It is nevertheless recognised that such ambiguity can be dealt with by making as explicit as possible which of the multiple roles are to emphasised in any particular assignment. It is essential to have prior mutual agreement among the parties involved (for example, the consultant, ministry of education, international donor agency) with regard to a more explicit definition of the roles to be performed.

Consultant/client relationship

The nature of the consultant/client relationship depends on a good knowledge of one another and of all the parties involved. Also of vital importance is knowledge of the situation/context. For example, in relation to aid-financed activity, knowledge and clear understanding of the following are required:

- how consultants get into major donor-backed projects
- the level of control these consultants have over the donor-backed projects
- who initiated and designed the project
- the lender/donor agency funding policies.

Figure 8 summarises the critical points of which clients need to be aware.

Case study 1 (page 16) provides insights into how the Ministry of Education in Barbados sees the rules and how it plays the game.

Figure 8 The client's 'Ten Commandments'

1. Learn about consulting!
2. Define your problem!
3. Define your objective!
4. Choose your consultant!
5. Develop a joint program!
6. Participate actively!
7. Involve your consultant in implementation!
8. Monitor progress!
9. Evaluate the results and your consultant!
10. Beware of dependence on consultants!

Source: M. Kubr *Management Consulting: A guide to the profession*, 2nd revised edn., International Labour Office, 1986

Why are consultants used?

Generally speaking, consultants are called in if a need for help in problem-solving is perceived by management. There are many practical reasons which may lead a ministry of education in any small state to seek help from consultants.

Specialist knowledge and skills

Consultants may be called in when the ministry of education is short of people able to tackle a problem.

Intensive professional help on a temporary basis

In other situations the technical skills required may be available in the organisation but senior managers or staff specialists cannot be released for deep and sustained work on a major problem or project.

Case study 2 (page 19) illustrates how ministries of education may identify a need and decide that outside expertise is required to meet it.

Consulting and change

Consultancy is about change and consultants are agents of change. To carry out this role they have to understand how to *manage* change. It has often been said that people automatically resist change, but that is not entirely true. There are people who strive for change and welcome it. However, they have to feel that the change is worth having and will benefit them. They have to own the problem and the solution to it.

Resistance to change is often more acute if the change comes as a surprise. Consultants should therefore inform their clients about, and persuade them towards, any new procedure throughout the assignment and not leave everything to a final report. This approach to consulting is defined as *process consulting*: it is the approach recognised as most likely to produce success and results in a situation where the assignment is about implementing change, as opposed to simply providing information. The process consultant is expected to be expert in how to diagnose and how to establish effective helping relationships with clients.

Consulting and culture

One of the many assumptions underlying process consultation is that the consultant should work jointly with members of the client organisation to understand the 'culture' of the organisation. Understanding the culture of the organisation is a vital ingredient for successful consulting in any context, be it national, regional or international.

Ethics of consultancy

As with every profession, there is an agreed code of ethics that applies to any consultancy activity. This code is generally structured on three basic principles.

1 High standards of service to the client

2 Independence, objectivity and integrity
3 Responsibility to the profession

These principles are underpinned by a series of detailed rules, the more important of which are summarised in Figure 9.

Figure 9 Summary of the code of professional conduct for consultants

Principle 1: High standards of service to the client

A consultant will carry out the duties he/she has undertaken for his client diligently, conscientiously and with due regard to the public interest.

- A consultant will only accept an engagement for which he/she is suitably qualified.
- The work to be carried out will be clearly described and agreed in writing with the client. A consultant will not undertake work for a client unless he/she is satisfied that he/she has sufficient competent resources to carry it out effectively and efficiently. He/she will undertake to keep all information concerning a clients affairs strictly confidential.
- A consultant will develop recommendations specifically for the solution of each client's problems. Such solutions will be realistic and practicable and clearly understandable by the client. To ensure efficient performance, the consultant will exercise good management through planning, frequent progress reviews and effective controls.

Principle 2: Independence, objectivity and integrity

A consultant will avoid any action or situation inconsistent with his/her professional obligations or which in any way might be seen to impair his/her integrity.

- For this purpose, a consultant will maintain a fully independent position with the client at all times, making certain that advice and recommendations are based on thorough and impartial consideration of all pertinent facts and circumstances, and on opinions developed from reliable relevant experience.
- A consultant will not serve a client in circumstances which might impair his/her independence, objectivity and integrity and will inform the client immediately should such circumstances arise during the course of the assignment. He/she will reserve the right to withdraw if circumstances beyond his/her control develop to interfere with the successful conduct of the assignment.
- A consultant will discuss and agree with the client any significant changes in the objectives, scope, approach, anticipated benefits or other aspects of the assignment which might arise during the course of carrying it out.

Principle 3: Responsibility to the profession

A consultant will at all times conduct him/herself in a manner which will enhance the standing and public regard of the profession.

- For this purpose he/she will ensure that his/her knowledge and skills are kept up-to-date.
- A consultant will negotiate agreements and charges for professional services only in a manner approved as ethical and professional by the profession.

Adapted from *Code of Professional Conduct* of the Institute of Management Consultants.

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CASE STUDY 1: MINISTRY OF EDUCATION, BARBADOS

This case study looks at the consultancy game from the client's viewpoint. It was presented at the Vanuatu Workshop by Ralph Boyce (Chief Education Officer, Ministry of Education, Barbados).

Barbados: Key facts and statistics
Population (1989): 255,000
Population growth rate (1980–1988): 0.3%
Land area: 431 sq km
Capital: Bridgetown
GNP per capita (1988): US $5,990
Primary school enrolment rate (1988): 93.8%
Human development index (1987): 0.925

Introduction

The Ministry of Education has been making significant use of consultants to assist with the provision of technical and professional support, particularly in areas where in-house expertise is lacking. On occasions, it has also used consultancy services where staff had the expertise but, owing to the demands of their regular duties, were unable to undertake the specific assignment. The periodic use of short-term consultants therefore enables the ministry to address pressing issues in the education and training sector which might otherwise prolong the difficulties and delay the attainment of priority policy objectives.

Identifying the need for consultancy assistance

Projects are identified for development through reviews and diagnoses of the system, usually by the ministry's top planning entity, the Educational Planning and Development Committee (EPADEC). Thereafter, steps are taken to secure the Cabinet's approval which, once obtained, paves the way for further work on the project. In some instances, consultancy assistance is needed to prepare more in-depth analysis and background data, especially if the project is to be financed by grant, aid or loan funds from international agencies.

Recruiting of consultants

There are at least three main factors which determine the source from which consultants are recruited.

1 The nature and complexity of the assignment
2 The urgency with which the project is to be undertaken
3 The source of financing

Nature and complexity of the assignment

Where the assignment is concerned with *designing educational facilities* there are usually local experts available, particularly in the private sector, who could be engaged for the task. This is especially true in respect of architectural, engineering, quantity surveying and land surveying services. Recently, for example, the Ministry of Education engaged a local architectural firm to prepare an outline design and feasibility study for a proposed upgrading of the Hospitality Division of the Barbados Community College. Owing to the complexity of the assignment, the architectural firm sub-contracted a local accountancy firm to undertake the economic and financial feasibility aspects of the proposal, while itself concentrating on the design scheme. The project is now being reviewed by the European Development Fund for grant financing under the Lome 4 EEC/ACP Agreement. Nevertheless, there were times when the ministry's schools building programme benefited from the provision of professional services under the auspices of the Commonwealth Fund for Technical Co-operation and the United Nations Educational Scientific and Cultural Organisation.

On the other hand, where the consultancy is of a *purely educational nature* (such as setting up specialised educational systems, conducting studies and surveys) the ministry has tended to look to metropolitan countries for consultants.

Urgency of the project

In situations where there is a great urgency to advance the preparation of a project, local expertise may be so tied up with other responsibilities that the ministry, although willing to utilise local

or regional expertise, is forced to draw on the greater resources that are available in metropolitan/rim countries. During the preparation of the Inter-American Development Bank (IDB) component of the proposed Third Education and Training Project, the ministry urgently needed consultancy assistance in organisational restructuring, management information systems and socio-economic surveys, which was not readily available locally or regionally. It therefore sought and received the assistance of the IDB in recommending suitable consultants to undertake specified tasks.

Source of finance

The procedures of international funding agencies usually require a beneficiary of their resources to open the tendering process to consultants from member states. In such circumstances, consultants from metropolitan countries, because of their wider experience, tend to be more competitive than their local or regional counterparts. At the commencement of the Second Education and Training Project, for example, Barbados was required to use international competitive bidding procedures to engage a management consultant for the human resources development component of the project. Tenders were invited from six short-listed firms including the University of the West Indies. (UWI) The tender from the British Council was adjudged the most acceptable, so the ministry had no alternative but to award the contract to the British Council despite any special preference it might have had for the University of the West Indies. In concluding the terms of the agreement with the British Council, provision was made for UWI personnel to be engaged wherever possible. In practice, however, this provision was 'more honour'd in the breach than the observance.' It may be noted that, on the insistence of one of the beneficiaries of the project, the British Council did engage a local management information firm to undertake an information technology consultancy.

Role of aid agencies

The role of aid agencies has been one of facilitating the attainment of planned development in the education and training sector. They have provided loans and grant assistance which financed the engagement of much needed expertise in technical and vocational training, educational planning, organisational reform, educational technology and curriculum development, to cite just a few critical areas. While the vast majority of the consultants have been from metropolitan countries, they have been working mainly in areas with few local consultants nationally and, to some extent, regionally. Since international consultants usually work closely with local counterparts, they help to broaden and deepen the skills of local educators and administrators in sector analysis and the determination of standards.

Where the aid agencies have financed the engagement of local and regional consultants, they have helped to strengthen and promote a cadre of indigenous consultants. Such persons could work on their own and/or in joint arrangements with a metropolitan associate in mutually beneficial ways.

Management of consultants

The client's role

The ministry seeks to ensure that the contractual obligations articulated in the signed agreement are carefully monitored and fulfilled. On the client's side, care is taken to ensure that all house-keeping duties such as hotel accommodation, proximity to the ministry, local travel, office accommodation, adequate secretarial and other logistical supports are provided.

In addition, a counterpart is assigned to the consultant to work closely with him/her. The counterpart arranges meetings, answers queries, clarifies concerns and gives insights into the intricacies of the local society. The counterpart also provides background reports, papers, studies and other data to facilitate the work of the consultant.

At times, a steering committee may be appointed to supervise the work of the consultant and advise the ministry on the appropriateness of his/her recommendations. For example, a steering committee comprising representatives from private and public sector agencies is currently working on the Barbados Community College Hospitality Institute Project. This is aimed at having a direct catalytic effect on tourism and related sectors in the country.

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The consultant's role

The consultant is expected to apply him/herself with diligence to all aspects of the terms of reference. At the outset of the consultancy he/she is invited to an inaugural meeting with senior personnel of the ministry. At this meeting relevant major issues and concerns are raised, the terms of reference are highlighted and the programme of activities reviewed. At the end of the assignment, there is also a wrap-up session with senior officials. The consultant shares his/her findings, observations and highlights of the recommendations, and answers any queries that are raised.

Assessment and follow-up

A full assessment of the consultancy takes place after the submission of the consultant's report. Depending on the quality and relevance of the findings, conclusions and recommendations, follow-up action is taken to implement the pertinent recommendations.

Conclusion

Without doubt, Barbados' experience in using consultants has shown a predominance of consultancy services recruited from metropolitan countries. This is particularly true in areas where the services required are in limited supply at national and regional levels. Most of the resources for engaging these services come either through loan financing or grant aid from technical co-operation agreements with international development agencies. These agencies, in their enthusiasm to honour their procurement guidelines, tend to place emerging national and regional consultants at a serious disadvantage when forced to compete with their rivals from metropolitan/rim countries.

Measures therefore should be put in place to deepen and widen the pool of national and regional educational expertise on which ministries can draw in order to speed the process of educational development.

Questions

1 In your experience, is the Barbados analysis typical of the 'consultancy game'?
2 Barbados identifies three main factors determining the recruitment of consultants. Is this true elsewhere/of other countries?
3 Does Barbados play the 'game' right?
4 Barbados has heavy dependence on 'metropolitan' consultants. Why is this?
5 What can be done to redress the balance between 'metropolitan' and local (national and regional) consultants?

CASE STUDY 2: THE ISLAND STATE OF NIUSTORIA

This fictional case study looks at the priorities and choices facing a small island state about to introduce a new schools broadcasting service.

The Republic of Niustoria: Key facts and statistics

Physical

Niustoria is a chain of 70 islands with a total land area of 21,000 sq km strung out over a wide sea with the population concentrated in 10 main islands. It has an oceanic climate with temperatures ranging from 20°C to 30°C and suffers from occasional cyclones. The average annual rainfall is 156.2 cm.

Political

The government has been independent since 1978. Niustoria was previously administered by Aulandia, a metropolitan country. It is now a republic with a parliamentary system. In line with the government's policy of decentralisation, there are eight local government areas.

Social

The population in 1989 was 149,000, concentrated in the ten main islands. The growth rate in 1989 was 2.9 per cent a year. Of the population, 95 per cent are Niustorians and the remaining 5 per cent is made up of Europeans and other regional groups. Nearly half the population is under 17 years of age.

The capital, Ustor, has a population of 17,500 people. It is home to the main government and is also the commercial centre.

The two other main towns are Bomat (population 8,500) on the second largest island to the north and Riko (population 4,500) in the south.

The national language is Niustorian, spoken by the majority. There are a number of local languages.

The official languages are Niustorian and English (the Aulandia influence) which are also the languages of instruction. English is taught as a second language up to primary school Year 4; a transition to the language of instruction occurs in Years 5 and 6. It is the language of instruction in secondary education.

Religion. There are various Christian denominations.

Communication between the three main towns is by good air and road links. Small airstrips on the other larger islands are served by AirStoria but are often affected by bad weather.

Ustor has an international airport which provides links to Aulandia (2000 km), Kaipan (3500 km), Grindoma and the Butolian Islands (950 km). Niustoria's international airline, InterNiustor, operates in association with Aulioop. Intermittent shipping facilities, not always reliable, are available.

Primary education takes the form of a six-year course in school from the age of six years. At the moment, over 80 per cent of the primary school-age population is in school. At one time only 52 per cent of Year 1 entrants reached Year 6; this has improved dramatically and now 90 per cent reach Year 6. In Year 6 all students take the Primary School Leaving Certificate. Because of financial constraints, currently only about 15 per cent are selected for secondary education.

Number of schools: 256 (widely dispersed)
Number of students: 25,000 (approximately)
Number of teachers: 980 (all local)
Number of trained teachers: 526

Secondary education raises a number of crucial issues due to its nature and extent. The country urgently needs to increase the number of students in secondary schools in order to counter the shortage of trained local people available for government and commercial positions. The demand for places greatly exceeds the number available.

Finance is one of the main constraints on increasing the number of secondary places, and to this is added the shortage of local secondary teachers available. Over 80 per cent of secondary teachers are from overseas and this leads to a high annual turnover of teachers and a lack of staff continuity in the schools. A secondary teacher training programme is being planned; training at present takes place overseas.

The issue of what is a 'relevant curriculum' continues to be a matter of controversy. The pressure for vocational studies conflicts with the views of those opposed to such utilitarian aims and who advocate 'a good general education as a sound foundation for any future occupation.'

Number of schools: 10:7 with forms 1–4; 3 with forms 1–7
Number of students: 3200 (approximately)
Number of teachers: 135 (80 per cent from overseas)
Percentage of teachers who are trained: 90 per cent

There are three examinations.

- In Year 6: Primary Leaving Certificate
- In form 4: Niustoria Secondary Certificate (NSC)
- In form 7: Aulandia Higher School Certificate

The Niustoria Examination Board is responsible for the organisation of examinations, but AHSC is administered and marked in Aulandia.

Tertiary education is represented by two institutions.

- Niustoria Teachers' College (primary teachers)
- Niustoria Technical College

(Minimum entry qualification is the NSC; the staff is 75 per cent expatriate.)

The consultancy dilemma: Priorities and choices

No sooner had John Primo, the Director of Education, arrived at his office desk on Tuesday morning than Manly Foster (Chief Education Officer Primary), his colleague from the next office, tapped on the door and burst in.

'Hey, John, do you think I'm for the high jump? I've just found this note from the Minister on my desk, telling me to be in his office at two this afternoon.'

Sure enough, all heads of department were to meet the Minister at two. 'Maybe we really are going to go ahead with the schools broadcasting idea we've all been talking about for so long.' Manly was always hopeful.

'Mmmmm! Wait a minute!' interjected Angelina. 'I heard on the news last night that the Cabinet had been discussing it. Didn't listen long enough to find out if they gave the go-ahead, though.'

'Ah well, all will doubtless be revealed this afternoon,' Manly sighed, thinking of all he'd planned to do during the day.

The Minister sat behind his desk and beamed at the assembled company: his secretary and two of his personal staff; all the departmental heads; heads of the ministry planning, accounting and personnel divisions; as many senior personnel as could be located at such short notice; and the principals of the teachers' college and the technical institute.

'Good afternoon, everyone,' the Minister began. 'Good to see a full attendance because this is quite a ... well, shall we say ... historic moment.' A rustle of increased interest. 'I don't know how many of you heard the evening news bulletin yesterday, but those of you who did will have heard that Cabinet has at last given the go-ahead for us to launch our schools broadcasting project. Took a good deal of hard talking on my part, I might add.

'I've called you all here, as soon as possible, so that we can begin to thrash out together some of the matters which need to be addressed. The sooner we get these sorted out, the sooner we can get on with planning and implementation. Now, to begin with, I'd like to hear why some of you believe we need a good educational radio service in Niustoria and how widespread you think it should be. John, as Director of Education, I think you should have first say.'

John didn't need a second invitation; he'd even come armed with some of the notes he'd been making over the past year or so, ever since the idea had been raised. 'Well, my first point is that whatever kind of service we set out to provide it's got to be the best possible; none of this second-rate, ineffective nonsense we know is served up to schools in Grindoma in the name of education.'

'Can Niustoria afford the best, though?'

'Even some school radio would be better than none!'

The discussion was up and running!

'Anyway I'm not at all sure that we have any suitable personnel available. I mean, after all, broadcasting is a very specialised activity. Besides, I can't imagine how we're going to discover these budding radio personalities among our teachers or how on earth we're going

to train them if we do locate them.'

This tirade from the Head of Personnel left the occupants of the room slightly stunned. The Minister looked inquiringly at his Director of Education. John took a deep breath.

'A very valid point,' he conceded. 'Locating teachers with some natural talent for broadcasting will be one of the first tasks to be undertaken and then they will certainly need some training.'

'Radio Niustoria ought to be able to help us with training,' suggested Manly, 'always assuming they can spare some of their staff.'

'Are Radio Niustoria people competent to train our people for educational radio? It's not entertainment, you know.' Another sceptic. 'We may have to consider using overseas training facilities unless we bring in outside experts. And anyway, what about the technical back-up? Can we expect RN to provide that sort of staff or are we going to have to train our own technicians or, more likely, have them trained overseas?'

The Director moved in quickly: 'I'm sure the Minister, and the Cabinet, would want as much training as possible covered by Niustorians before looking beyond the country for expertise. Though, of course, matters which concerned, say, Radio Niustoria would have to be dealt with at ministerial level since Radio Niustoria is not under this Ministry. In the case of the two colleges and how their staff can be utilised, that's internal to this Ministry and can easily be facilitated.'

That brought the two college principals to their feet, each pointing out in no uncertain terms that most of their staff (a) were not particularly well versed in broadcasting and distance education skills and (b) were very heavily committed already and were therefore unlikely to have much 'spare' time for training educational broadcasters (though there were staff at the Tech. who would probably be able to help on the technical back-up training, the Principal conceded).

'I'd like to know, for example,' the Principal of the Teachers' College was ready to fire his final shot, 'whether the Treasury would be willing to provide extra funds to pay some sort of 'inducement' to any of my staff who put in extra hours to train these people. Come to that, I think we'd all like to know exactly what the Minister has extracted from the Treasurer in the way of firm promises of funding for this scheme; it won't be just a matter of training a few potential broadcasters, you know.' The College Head was in full flood by now. 'Look,' he continued, 'years ago when I was doing postgraduate studies at the university in the Butolian Islands, I got to know their Director of Schools Broadcasting, and he told me that when they'd launched their educational radio service it was almost all funded from overseas. Kaipau provided all the radios for free, and sent people to train local Butolian traders to service them. All local people who were involved at the outset were sent on courses to Aulandia and the seed money for the initial launching was provided by the World Education Fund.'

The Principal's very necessary pause for breath at this point enabled the Minister to buy back into the debate, to set out a few facts and to raise what he considered to be realistic issues and options. Murmurs of approval or disagreement could be heard at appropriate moments, frequently from predictable quarters.

'I'll deal with the matter of Treasury first,' he said firmly. 'I, personally, have put in considerable spadework there and at the moment I'm very optimistic that we shall get some initial funding from them; enough, say, for the preparatory phase, perhaps a pilot scheme and then for the first year. By then, who knows? We'll be due for a general election ...' he let the fact hang in the air. 'Whether we also apply for additional funding from an international agency is up to us. We all know how long funding approval from WEF, for instance, can take; we've been there, done that!

'Finding a donor country for the actual radios may depend on how many we need. Certainly, the Cabinet envisages all primary schools having sets. After all, nearly every MP has some needy school in his or her constituency!

'On the matter of training, and endorsing the Director's remark about providing the best possible service, I think we shall have to look to overseas governments or institutions to provide training expertise of international quality. I'm not belittling the home-grown contribution, mind you,' he hastened to add, 'but there are plenty of organisations ready and willing to assist in such projects, we've had their "salesmen" and advertising material through this Ministry at regular intervals for years now.'

'Oh yes? And have their so-called experts

running rampant all over the country, telling us what to do and how to do it, when they wouldn't know a Niustorian custom from a television soap ad?' The speaker didn't sound too happy at the prospect.

'Now then, that's a rather jaundiced view,' remonstrated the Minister. 'It's up to us to select the most suitable and sensitive people or institutions to come in on the scheme.'

'I'm sure it's possible, Minister, to provide appropriate criteria by which we can choose the most suitable overseas expertise,' interrupted the Director reassuringly, 'and to find ways in which those who do come to Niustoria can be, shall we say, sensitised to our particular culture and needs. After all, this is all such a new field of activity for most of us that we may even have to call on, say, UNESCO or UNDP personnel to help us put together a realistic policy and turn it into feasible plans.'

The Minister took up the Director's point. 'Whether we go for all the expertise we can get from anywhere, or whether we just concentrate on one or two sources, for example, one metropolitan country like Aulandia and a nearer, smaller, neighbour like the Butolian Islands which have been through this already ... well, that's up to us to decide. Whoever does agree to advise us and help implement the scheme, there's no doubt that such organisations and their ideas, whether home-grown or imported, will have to be accepted by our own staff at all levels, otherwise nothing will be achieved.'

'Well, not without a great deal of unnecessary friction,' added Manly.

A sort of collective sigh seemed almost audible. It was getting late; watches were being surreptitiously consulted. It was obvious that everyone was in need of some time and space to consider all the issues which had been raised during the afternoon. The Minister stood up. 'Ladies and gentlemen, I think it's time we drew our opening discussion to a close. I'm going to ask the director to organise those present, and any other appropriate personnel, into smaller discussion groups which will meet during the next week or so to look in more detail at the matters we've been discussing today, and to draft some concrete proposals relative to those issues. We can look at those proposals at another general meeting. The most important aspects which need our attention are, it seems to me: What are the needs, especially of our primary schools, which can be alleviated by an efficient schools broadcasting service and how would the service fulfil those needs? How can we best identify potential staff for the service and the expertise necessary to train them to provide educational radio that is fully effective? And how can we ensure that our teachers use the service efficiently? What is the overall general policy we all need to be working to, and how do we decide scope and priorities? What are the practical implications of all this planning in terms of funds, people, imports, contacts, technical back-up?

'It's a tall order, I know,' the Minister had noticed that collective sigh. 'But it's up to us to start off fully aware of all we and the whole education service of Niustoria are undertaking.

'So, I wish you good discussions over the next week or so and look forward to your group and individual contributions at our next gathering.'

'A tall order, indeed!' The phrase was echoed with feeling by some as they left the room and headed for the sanctuary of personal office or home.

Questions

1 What do you perceive to be the key issues and priorities in this particular consultancy dilemma? Would these differ from those identified by the Minister of Education?
2 Role play members of one of the small discussion groups. Your brief is to suggest ways you can achieve a balance between utilising local expertise and overseas consultants. (You may wish to relate this to a specific consultancy dilemma in your own country/region.)
3 Predict what decisions, both short-term and long-term, might have been made about the role of overseas/local consultants in implementing a schools broadcasting service.
4 In your experience, are the issues raised here typical of the consultancy dilemmas which face small states?

Part Two

THE CONSULTANT

The consulting process 3

A model

Various models of the consulting process, ranging from three to ten phases, can be found in the literature (Kolb and Frohman, 1970). We have chosen here the simple five-phase model which includes the major phases:

- entry
- diagnosis
- action-planning
- implementation
- termination.

This model is shown in Figure 10.

We must point out that this is not a universal model and should not be applied blindly to all situations. There will be times when the phases overlap or when you have to go back to an earlier phase. The model does, however, provide a useful framework for structuring and planning particular assignments. You may note that this model is very similar to problem-solving models since consulting is a form of problem solving.

Entry

This is a critical stage since it lays the foundation for all that follows. The subsequent phases will be influenced by the quality of the early conceptual work and the kind of relationship established with the client.

Initial contacts

In most cases it will be the client who makes the first contact by publicly announcing his/her intention to carry out a consulting project and inviting consultants to manifest their interest. In the case of small states, where most major projects will be financed by an international agency, it is important that you know where to look for such announcements. Projects may be implemented in the Ministry of Education but early knowledge of which projects are going ahead may be obtained from the Ministry of Planning and/or Foreign Affairs, that is, the ministry that holds portfolio responsibility for international

Figure 10 The consulting process

1 Entry
- initial contacts
- preliminary diagnosis
- assignment planning
- assignment proposal to client
- the contract

2 Diagnosis
- fact finding
- fact analysis and synthesis
- feedback to the client

3 Action planning
- developing solutions
- evaluating alternatives
- proposals to client
- planning for implementation

4 Implementation
- assisting with implementation
- planning and monitoring implementation
- training

5 Termination
- evaluation
- final report
- plans for follow-up
- withdrawal

Source: This is a modified version of Figure 1.1 (p. 14) in M. Kubr *Management Consulting: A guide to the profession*, 2nd revised edn., International Labour Office, 1986

co-operation. Most tertiary institutions in small states tend to have their ears close to the ground for intelligence of this type.

Defining roles

It is at this early stage that roles have to be defined and clarified. Time has to be spent clarifying who your client really is. In most cases you will be dealing with three different 'clients': the division/department where the problem is; the Ministry of Education which is the executing agency; and the international funding agency. In most cases, the first meeting will be with a senior manager in the ministry while the person(s) who owns the problem and with whom you will be working is someone else in the division/department. It is important for the success of the assignment to find out from the outset with whom you will be working.

Preliminary diagnosis

The need for, and importance of, this preliminary diagnosis is all too often not emphasised. The purpose of the diagnosis is not to propose measures for solving the problem but is, in fact, to quickly gather the information needed to understand the problem. While you need to know exactly what your client expects from you, you also have to ensure that his/her perception and definition of the problem is correct. Before starting to plan the assignment, you should undertake your own independent problem diagnosis. This need not be a long, time-consuming exercise. In fact, an experienced consultant starts such a diagnosis right from the very first moment of contact with the client.

Assignment planning

The next stage is to plan the assignment. Your client expects to receive your initial findings on the problem and a proposal describing what you suggest doing and under what terms and conditions. There are five main elements of assignment planning.

1 **A summary of problem identification**
This is a summary of the conclusions from the preliminary problem diagnosis.

2 **The objectives to be achieved and action to be taken**
Whenever possible these should be quantified. Social and qualitative benefits should be clearly described and explained. It may be that certain objectives will not be met unless your client takes certain measures. If so, it is essential that these measures are specified as clearly as possible.

3 **The phases of the assignment and time-table**
Both parties need to know what the other party expects at each stage.

4 **Role definition**
The style and mode of consulting considered most appropriate to the nature of the problem should be suggested here.
- What activities will be carried out by your client and what activities will be carried out by you, the consultant.
- Who will prepare what data and documents.
- What meetings, project groups, and other forms of group work will be used and who will be involved.

5 **Resource planning**
Following the detailed role definition you should determine the resources required by the assignment in each phase. Your client will need to know what resources provided by you will have to be paid for.

Assignment proposal to client

Preparation of project proposal

The assignment proposed will be described in a document to be presented to your client. This document may be given different names: survey report, technical proposal, project document, contract proposal, etc.

Most aid agencies have prepared a standard table of contents for, or guidelines for the preparation of, such documents. We present examples in Figures 11 and 12: Figure 11 provides a table of contents for a project document and is from UNESCO's International Institute for Educational Planning; Figure 12 gives guidelines for the format of a project document and is from UNDP's project aid

Figure 11 Table of contents for a project preparation document

Main items (Texts to be written)	*Annexes*		*(Responsibilities)*
1. Justification			
1.1. Current situation of the field considered			ED* (ECO)
1.2. Government policy			ED
1.3. Problems and needs			ED (ECO)
2. Objectives			
2.1. Statement of objectives			ED
2.2. Overall design of the project			ED
2.3. Results expected at the end of the project			ED
3. Essential characteristics			
3.1. Organisation			
3.2. Enrolment (or production)	3.21.	Enrolment distribution	ED
3.3. Curriculum (or activities)	3.31.	Weekly timetable by premises	ED
3.4. Methods			ED
3.5. Location			ED & ARC
3.6. Staff	3.61.	Teaching staff	ED (ECO)
	3.62.	Non-teaching staff	
3.7. Others			
4. Items to be funded and costs			
4.1. Construction	4.11.	Teaching load and space required	ED (ARC)
	4.12.	Schedule of accommodation, area and costs	ARC (ED)
	4.13.	Characteristics of the premises and space standards	ARC
4.2. Furniture, equipment, materials	4.21.	List of furniture	ARC (ED)
	4.22.	List of equipment	ED (ARC)
4.3. Technical assistance	4.31.	Technical assistance	ED
4.4. Staff training	4.41.	Training	ED
4.5. Others			
4.6. Summary of costs to be financed	4.61.	Summary table of capital costs	
5. Administration of the project			
5.1. Organisation and procedures			ARC
5.2. Monitoring and evaluation			
5.3. Implementation schedule	5.31.	Implementation schedule	ARC (ED)
6. Feasibility			
6.1. Administrative feasibility			ED (ECO, ARC)
6.2. Financial feasibility	6.21.	Annual operating costs to be paid by the government	ECO (ED)

*ED = Education specialist or planner. ECO = Economist. ARC = Architect. Brackets indicate partial responsibility.

Source: Education project identification, preparation and evaluation unit. IIEP educational materials prepared in conjunction with Unesco Division of Financing of Education 1986. Reproduced Magnen, Andre (1991) Education Projects: elaboration, financing and management, UNESCO, IIEP.

Figure 12 Guidelines for project formulation and the project document format

2.0 Project document

2.1. *Introduction*

1. Subsection 2.3, below, sets forth an annotated project document format. This format is in effect a modified version of the familiar descriptive format in use since 1975. It supersedes the provisional guidelines for the 'Utilization of New Project Document Format' issued under cover of a 'Dear Colleague' letter from the Administrator dated 26 October 1982, and the 'Supplemental Guidelines on Project Document Format' (UNDP/PROG/119, UNDP/PROG/FIELD/179) issued 20 December 1985.

2. The core structure of the project contained in these instructions consists of a hierarchy of basic project elements as follows:

Development objectives
Immediate objectives
Outputs
Activities
Inputs

3. A project formulated according to this structure is intended to develop in a certain sequence. Namely, the *inputs* or raw materials are to be transformed by the *activities* to produce specific *outputs*, which, when joined together, will lead to the accomplishment of the *immediate objectives*. The accomplishment of the immediate objectives will in turn contribute at least in part, to the achievement of the broader *development objective*. This is the basic theory or 'logic' of the UNDP project design, upon which the instructions which follow are based.

2.2 *Model table of contents*

Cover page

A *Context*
- 1. Description of subsector
- 2. Host country strategy
- 3. Prior or ongoing assistance
- 4. Institutional framework for subsector

B *Project justification*
- 1. Problem to be addressed; the present situation
- 2. Expected end of project situation
- 3. Target beneficiaries
- 4. Project strategy and implementation arrangements
- 5. Reasons for assistance from UNDP/executing agency
- 6. Special considerations
- 7. Co-ordination arrangements
- 8. Counterpart support capacity

C *Development objective*

D *Immediate objective(s), outputs, and activities*
- 1. Immediate objective 1
- 1.1 Output 1

Activities
- 1.1.1 activity 1
- 1.1.2 activity 2
- 1.1.3 activity 3
- 1.1.4 activity 4

D. *Immediate objective(s), outputs, and activities (continued)*
   1.2 Output 2
      Activities
      1.2.1 activity 1
      1.2.2 activity 2
      1.2.3 activity 3
   1.3 Output 3
      Activities
      1.3.1 activity 1
      1.3.2 activity 2
2. Objective 2
   2.1 Output 1
      Activities
      2.1.1 activity 1
      2.1.2 activity 2
   2.2 Output 2
      Activities
      2.2.1 activity 1
      2.2.2 activity 2
      2.2.3 activity 3
E. *Inputs*
F. *Risks*
G. *Prior obligations and prerequisites*
H. *Project review, reporting and evaluation*
I. *Legal context*
J. *Budgets*
K. *Annexes*
   I. Work plan
   II. Schedule of project reviews, reporting and evaluation
   III. Standard legal text for non-SBAA countries (if required)
   IV. Training programme (if required)
   V. Equipment requirements (if required)
   VI. Job descriptions (if required)
   VII. Framework for effective participation of national and international staff (if required)

Standard Content and Format – UNDP Project Document

Sample cover page

(Line-by-line instructions for the completion of the cover page may be found in section 30303 of the PPM)

United Nations Development Programme

Project of the Government of

_____

PROJECT DOCUMENT

Number and title

Duration

Project site

ACC/UNDP sector & subsector a/

Government sector and subsector

Government implementing agency

Executing agency

[Co-operating or associated agency (if applicable)]

Estimated starting date _____ month, year

Government inputs (local currency)

(in kind) _____

(in cash) _____

UNDP and cost sharing financing

UNDP IPF	$_____
Other (specify)	$_____
Govt. or third-party cost sharing (specify)	$_____
UNDP & cost sharing	$_____
Total	$_____

Brief description. (Provide a succinct statement of what the project is intended to achieve and its major features, including whether it is intended to provide institution building, direct support or some other type of assistance. Specify any 'special considerations'. (see heading B-6))

On behalf of	Signature	Date	Name/title (please type)
The Government	_____	_____	_____
Executing agency	_____	_____	_____
UNDP	_____	_____	_____

United Nations official exchange rate at date of last signature of project document

$1.00 = _____

a/ Please study the ACC Programme Classification Extended for UNDP Purposes carefully in section 30304, subsection 4.0, and assure that the code and title used most accurately reflect the primary area of project activity.

Source: UN Development Programme and Projects Manual

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programme. Such tables and guidelines are useful in ensuring that nothing important is forgotten. They should be adapted to the type of project concerned.

Virtually all agencies have standard procedure manuals. It is necessary to understand agency procedures if your consultancy is part of an aid project or programme.

In general a proposal will have four sections:

1 **Technical section**
Here you describe your preliminary findings, your assessment of the problem, the approach to be taken and the work programme proposed.

2 **Staffing**
In this section you should give the names and profiles of your staff who will be executing the assignment.

3 **Consultant background**
You can here refer to information on the consulting organisation's experience and competence that relates to your client's particular needs.

4 **Financial section**
You should indicate the cost of the services, provisions for cost increases and contingency plans, and the schedule and other indications for payment of fees and reimbursable expenses. Aid agencies and public sector organisations tend to have their own standard terms of business. For example, some organisations pay a percentage of the total fee on signing the contract and the balance on completion of the assignment. Others will only pay when invoiced at completion of contract. It is important that you are aware of these standard terms of business before finalising the proposal.

Presentation of proposal

The proposal can be presented at a meeting or mailed to your client but in most cases a final decision may take some time, especially if there is a selection procedure to be applied. For most projects funded by an aid agency, this will be the case. You need to know by what criteria you are judged and the relative weight assigned to the various aspects of the proposal. For example, an aid agency may recommend a weight of 10–20 per cent to the section on the consulting firm's general experience, 25–40 per cent to the work plan and 40–60 per cent to the section dealing with key personnel proposed for the assignment.

The consulting contract

The entry phase of the consulting process is regarded as successful if it concludes with a contract between you and your client. The form of this contract depends very much on each country's legal system and customary ways of doing business. It may be in the form of a verbal agreement, letter of agreement or written contract.

What to cover

While there is no universal form of contract, there are certain aspects of the consulting assignment that are normally covered; these are outlined in Figure 13.

Figure 13 What to cover in contracting

1. Who the contracting parties are (consultant and the client)
2. The scope of the assignment (objectives, description of work, starting date, timetable, volume of work)
3. Work products and reports (documentation and reports to be handed over to the client)
4. Consultant and client inputs (expert and staff time and other inputs)
5. Fees and expenses (fees to be billed; expenses reimbursed to the consultant)
6. Billing and payment procedure
7. Professional responsibilities (handling confidential information; avoiding conflict of interest; other aspects as appropriate)
8. Copyright (covering the products of the consultant's work during the assignment)
9. Liability (the consultant's liability for damages caused to the client; limitation of liability)
10. Use of subcontractors (by the consultant)
11. Termination or revision (when and how to be suggested by either party)
12. Arbitration (jurisdiction procedure for handling disputes)
13. Signatures and dates

Source: M. Kubr *Management Consulting: A guide to the profession*, 2nd revised edn., International Labour Office, 1986

Diagnosis

Fact finding

Facts are the building blocks of any consulting work. A considerable number of facts are required to get a clear picture of the situation yet, as the consultant, you will have to continually apply the principle of selectivity. In most small states data may not be readily available and special schemes have to be established to obtain it.

Fact analysis and synthesis

You will find that in consulting there are no clear-cut limits between analysis and synthesis. Synthesis (in the sense of building a whole from parts, drawing conclusions from fact analysis and developing action proposals) starts during fact analysis.

To an experienced consultant, analysis and synthesis are two sides of one coin. You should use your theoretical knowledge and practical experience to help you synthesise while you are analysing. You nevertheless have to avoid the traps that data and past experience may set, such as the temptation to draw hasty conclusions or allow your ideas to become fixed before examining the facts in depth.

Feedback to your client

Feedback can be oral or written, for example, as reports or memos. Feedback meetings are common, and are useful for providing valuable additional information especially in relation to attitudes to the problem and to your approach.

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Action planning

There is continuity between diagnosis and action planning. The foundations of action planning are laid in good diagnostic work. Despite this continuity, there are significant differences in approach and methodology between the two phases. The emphasis in action planning is no longer on meticulous fact gathering and analytical work but on creativity and innovation. In many cases you do not have to come up with a totally new approach or solution, you may need to use a solution already used elsewhere. But even transfer and transplant require creativity and imagination.

It is to be stressed that *your client's involvement should be high in this phase.* There are several reasons for this, one of which is that participation in action planning generates commitment in implementation. Also there is no need to offer your client alternatives with which he/she is not familiar and cannot accept. Involving him/her in the process will ensure that he/she agrees with the approach taken and be able to implement it.

Some of these techniques can be used for working on action proposals in a team with your client and staff.

Let us now look briefly at the main steps in action planning.

Developing solutions

Searching for ideas

You are searching for ideas and information on possible solutions to the problem. The objective is to identify and evaluate all interesting and feasible ideas before deciding on one proposal. Your client must feel confident that he/she is not being forced into accepting one solution without the opportunity to look at other possibilities.

You and your client have to decide on how to orient the search for ideas. Should it be towards solutions that may be already available, or towards a new original solution? Also, you need to decide how far the search should reach. Should it be limited to the client organisation or could solutions be found in other organisations, other sectors or countries? Will it be necessary to screen technical literature?

Drawing on experience

You need to draw on experience, consider methods successfully used elsewhere, and use knowledge derived from various sources:

- your previous assignments
- files and documentation in your organisation
- colleagues who have worked on similar problems
- professional literature
- staff in other departments of your client's organisation who may have knowledge of the particular process
- organisations such as aid agencies which are prepared to communicate their experience.

All sources must be considered. It may not always be possible to transfer a method used elsewhere, you may have to think out your own solution. This calls for creative thinking. You may find it useful here to review the principles and methods of creative thinking (Rawlinson, 1981; de Bono, 1977).

Evaluating alternatives

In practice you have to adopt a pragmatic attitude and bear in mind the temporal, financial, human and other constraints that may exist. The ideal solution may be within the client's reach but the time and cost may be prohibitive.

There may be cases when evaluation will be relatively easy, for example, choice between a ministry printing its own books or buying ones off the shelf. The number of evaluation criteria is, in this case, limited and quantifiable. There are however some complex cases where some criteria are difficult, if not impossible, to quantify.

Various attempts have been made over the years to increase objectivity in 'subjective evaluations by associating numerical values with adjectival scales.' The values thus obtained are then used in decision analysis (Brown, 1982).

Proposals to the client

Consider the timing and the form of presentation of the action proposal to your client. If your client's staff have been involved all along, as is recommended for long complex assignments, then presentation of the final proposals should not bring up any surprises. The presentation merely summarises, confirms and puts up for decision, information that your client has already had.

There are cases, however, where there may have been limited contact with or reporting to your client owing to the scope or nature of the assignment. For example, in reorganisation assignments you may not wish to circulate too much information before the solutions have been defined and examined by a restricted working group. As far as possible, the presentation should be both oral and written. You could make an oral presentation and then leave the relevant documentation with your client. Alternatively, your client may prefer to receive your recommendations in writing first and arrange a meeting with you after reading them.

Do not flood your client with analytical details but mention the evaluation techniques used, give a clear picture of all the solutions envisaged, and justify the solution you propose.

Planning for implementation

The action proposal must include a realistic and feasible implementation plan. Many consultants omit this. An effective action proposal should outline *what* to implement, *how* to implement it, and *by whom* this should be done. The implementation plan is not only useful to your client; you may find that planning the stages and activities to put the new scheme into effect reveals problems requiring the proposal to be further improved and modified before submission to your client.

In some cases your involvement in an assignment ends here. Having accepted your proposals, your client may wish to undertake the implementation him/herself.

Implementation

Assisting with implementation

Implementation is ultimately the responsibility of your client but involving you has significant advantages for both you and your client. Your co-responsibility

for the implementation can overcome some difficulties that may be encountered during implementation. You may also be more careful in proposing action plans that are realistic and feasible. However, a client's reluctance to involve the consultant in implementation is often motivated by financial reasons.

There are many ways for ensuring that your charges are kept low and these have to be discussed at the entry phase of the assignment so that the required resources are planned.

There may be times when you would not be required during implementation. For example:

- When the problem is relatively straightforward and no technical or other difficulties with implementation are envisaged.
- When the collaboration between you and your client during diagnosis and action-planning was good and your client demonstrated a good understanding of the problem and a capacity to deal with implementation without further assistance.

In cases where you are required, you may wish only to be available to intervene at your client's request or to make periodic visits at agreed points to check progress and advise.

Planning and monitoring implementation

A set of proposals for implementation usually forms part of the action plan presented to your client. Before implementation starts, a work programme should be prepared. This work programme should clearly state the *what*, *how* and *by whom*. The 'by whom' is often omitted. However, it is very important that responsibilities are defined. Implementation will create new tasks and relationships. Specifying people's contribution will be useful in drawing up training programmes and establishing controls for monitoring implementation.

Training

In most operating assignments, some staff development is foreseen as part of the work programme. Such development may take a variety of forms and differ in volume from case to case.

In some cases, formalised training programmes may be required, while in others it will be sufficient to develop staff through their direct co-operation at the different phases of the consulting process, for example, problem-solving.

Termination

This is the final phase of the consulting process when you actually withdraw.

Evaluation

This is the most important part of the termination phase. Without evaluation, it is not possible to assess whether or not the results obtained justify the resources used. Both you and your client can draw useful lessons from evaluation. Too often, no evaluation is carried out or, if it is undertaken, it is superficial and marginal. This may be because of the difficulties inherent in the evaluation of change in organisations. There is a considerable body of literature highlighting this. For a recent examination of the issues see Mick Howes (1992).

Ideally, evaluation should be carried out by you and your client at the end of the diagnostic and action-planning phase. It enables you to review progress and interim results and, if necessary, to adjust the assignment plan and work methods.

Evaluation should be a joint exercise. It should focus on two basic aspects of the assignment:

- The benefits
  - New capabilities – new skills acquired by the client
  - New systems and behaviour
  - New performance
- The consulting process

The dimensions of the process to be evaluated are:

1 **The design of the assignment**
   Was the contract clear, realistic and appropriate to your client's needs?
   Did the original definition of objectives provide a good framework and guidance for the assignment plan?
   Was the consulting style used sufficiently defined, discussed and understood?
   Were people briefed about their roles and responsibilities?
2 **The quantity and quality of inputs**
   Did your consulting organisation provide a team of the required size, structure and competence?
   Did your client provide the resources needed for the assignment?
3 **The consulting mode used**
   What was the nature of the consultant–client relationship?
   Was the right consulting mode used?
   Was the consulting mode adapted to your client's capabilities and was it adjusted to the task at hand?
4 **The management of the assignment by you and your client**
   Was there flexibility in the original design?
   How did your consultancy organisation manage and support the assignment?
   How did your client control and monitor the assignment?

Final report

Whatever the pattern of interim reporting, you should submit a final assignment report at the time of withdrawal. This final report should be short, yet provide a comprehensive review of work performed, pointing out the real benefits obtained from implementation and suggesting to your client what he/she should undertake or avoid in the future. A good consulting report should be capable of commanding the respect of your client who will see it as a source of further guidance.

Plans for follow-up

Final evaluation may not be completed at the end of an assignment if measurable results cannot be identified immediately. In this case, follow-up evaluation should be agreed by you and your client. For you, follow-up evaluation may lead to future assignments as it provides invaluable information on the real impact of operating assignments and on new problems which may have arisen

in your client's organisation. Your client may also welcome the opportunity to discover new problems before they become critical.

Both interim and follow-up evaluations use classical techniques like interviews, observations, questionnaires and meetings.

Withdrawal

Withdrawal can have three meanings:

- The assignment is completed.
- The assignment will be discontinued.
- The assignment will be pursued without further assistance from you.

In deciding to terminate the assignment you and your client should be clear which of these three applies so there is no ambiguity.

Your withdrawal also terminates the consultant–client relationship. The way this is done will influence your client's motivation to pursue the project. It will also influence both your client's and your own attitude towards future assignments.

Care should be taken in planning the right time to withdraw. Withdrawing too early or too late can spoil a good relationship and jeopardise the success of a project.

Consulting skills and characteristics 4

There is no perfect or ideal consultant model but there are some common characteristics in consultancy which differentiate it from other professions requiring a high level of technical knowledge but which have other objectives and methods of intervention (for example, research, teaching).

In consulting, great importance is attached to problem solving and analytical ability as well as to competence in behavioural science, in communication skills, and in helping people understand and manage change.

Professional speciality

First and foremost, a consultant must have a professional speciality that provides the basis for sharing expertise. In consulting, this speciality must be complemented by the knowledge and the competence relevant to adapting and transferring that expertise.

Many useful lists of the 'characteristics of an ideal consultant' can be found; an example of such a list is given in Figure 14. The first significant attempt at a definition of these characteristics was made by ACME in the United States (Shay, 1974, pp. 41–42; see also Lippitt and Lippitt, 1978, chap. 7; Johnson, 1982, chap. 1)

In summary, the qualities and attributes required in successful consultancy fall within two broad categories:

- intellectual ability
- personal attributes.

A comprehensive list of these qualities is presented in Figure 15.

Analytical and problem-solving skills

A consultant should demonstrate a systematic approach to problem solving and have knowledge of the following skills and techniques:

- diagnostic skills
- data collection and recording techniques
- techniques for data and problem analysis

Figure 14 Characteristics of the ideal consultant

1. A respect for the goals and cultures of host clients
2. The capacity to apply his/her analysis to the realities of the client's needs
3. A willingness to do a lot of hard and concentrated work
4. An understanding of the economic situation of the host country and its implications
5. An appreciation of likely implementation difficulties: need for phasing
6. The ability to involve clients especially those with a natural tendency to regard consultants as experts
7. The ability to write reports in simple, straightforward language comprehensible to the client
8. An understanding/appreciation that his/her role is to represent the consultancy organisation and not simply him/herself
9. An ability to match the client's needs to an aid donor's specific funding requirements/conditions

Source: Commonwealth workshop on educational consultancy skills; Vanuatu 1992

- techniques for developing action proposals
- techniques for creative thinking
- techniques for evaluating and selecting alternatives
- techniques for measuring and assessing results.

More details on these and the whole range of diagnostic/analytical skills can be found in the literature. A particularly useful text is: M. Kubr *Management Consulting: A guide to the profession*, 2nd edn., International Labour Office, 1986.

Behavioural and communication competency

Consulting involves people dealing with people. As a consultant, you must therefore have a good grounding in behavioural sciences and an understanding of such topics as:

- the behaviour roles of you and your client
- your client's psychology
- the techniques for diagnosing attitudes, human relations, behaviour and management styles in organisations.

Communication skills

Communication is the vehicle for transmitting knowledge and introducing change. Throughout the whole consulting process you will be involved in *receiving* and *presenting* information. Both processes require specific skills and it is considered that mastery of these skills is a necessity for successful consulting. Communication can be oral or written.

Figure 15 Qualities of a consultant

1 Intellectual ability
- ability to learn quickly and easily
- ability to observe, gather, select and evaluate facts
- good judgement
- inductive and deductive reasoning
- ability to synthesise and generalise
- creative imagination and original thinking

2 Ability to understand people and work with them
- respect and tolerance for other people
- ability to anticipate and evaluate human reactions
- easy human contacts
- ability to gain trust and respect
- courtesy and good manners

3 Ability to communicate, persuade and motivate
- ability to listen
- facility in oral and written communication
- ability to teach and train people
- ability to persuade and motivate

4 Intellectual and emotional maturity
- stability of behaviour and action
- independence in drawing unbiased conclusions
- ability to withstand pressures and live with frustrations and uncertainties
- ability to act with poise and in a calm and objective manner
- self-control in all situations
- flexibility and adaptability to changed conditions

5 Personal drive and initiative
- right degree of self-confidence
- healthy ambition
- entrepreneurial spirit
- courage, initiative and perseverance in action

6 Ethics and integrity
- genuine desire to help others
- extreme honesty
- ability to recognise the limitation of one's competence
- ability to admit mistakes and learn from failure

7 Physical and mental health
- ability to sustain the specific working and living conditions of management consultants

Source: M. Kubr *Management Consulting: A guide to the profession*, 2nd revised edn., International Labour Office, 1986

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Interpersonal skills

Successful consulting requires very good interpersonal skills. Consultants must be able to communicate and deal with people in an atmosphere of tact, trust, politeness, and friendliness.

Some of the necessary skills, knowledge and attributes can be learned, some you may have already experienced or know, but it is also the case that experienced consultants have a special quality that makes them credible to their clients. This quality may be charismatic, professional, a warm personality, or a combination of all three.

A consultant who is entering a client system also needs a strong tolerance of ambiguity. First acquaintance with a client can be marked by a certain amount of bewilderment. It takes time to figure out the situation, and during this time you are going to experience a certain amount of confusion. You must expect this to occur and not be worried by it. On the other hand, in many small states, the ministry clients and consultants working in tertiary institutions will know one another well. Social, professional and political relationships interact. You must endeavour to understand the mix of factors which impact on the resolution of a technical problem. To be objective, yet sensitive, in this context requires an ability to investigate context; to move beyond the purely technical.

Coupled with your tolerance for ambiguity must be patience and a highly-developed ability to tolerate frustration. Helping a client to find goals and solve problems is likely to be a long and confrontational experience. Quick results, full co-operation, and complete success are unlikely.

If people think they may be adversely affected, they will usually respond to attempts to change their relationships and behaviour patterns with resistance or dependency, resentment or over-enthusiasm, and obstructionism or rationalisation. It is important for you as a consultant to be mature and realistic enough to recognise that many of your actions and hopes for change are going to be frustrated.

If you objectively conclude that you cannot help your client, you should, of course, withdraw. If possible, you should also refer your client to some other source of professional help. This also requires maturity.

A good sense of timing is important; timing can be crucial. The best-conceived and articulated plans for change can be destroyed if introduced at the wrong time. Timing is linked to a knowledge of your client, to the realities of the consulting situation, and to the kind of patience that overrides enthusiasm for trying out a newly-conceived alternative.

Professional attitude

Above all, consultants must be professional in attitude and behaviour. To be successful, you must be sincerely interested in helping your client. If your primary concern is making a large fee rather than helping your client, then he/she will soon recognise and deal with you accordingly. People in trouble are not fools. They can sense objectivity, honesty and, above all, integrity.

Such an array of skills and competencies is not easily achieved and you should continue to evaluate your own skill and style. Any training programme should aim to provide opportunities and time for improving such characteristics as good judgement, analytical and problem-solving ability, skill in

interpersonal relations, and the ability to communicate and persuade. Training programmes should also aim at improving other qualities such as self-confidence, integrity and independence.

Conducting an assignment 5

Managing the assignment

An assignment is a project and project management techniques should therefore be applied. The main activities required are:

1 **Define the terms of reference**
These should be clear and fully understood by all concerned.

2 **List the outcomes**
These should state how the terms of reference will be met and in what form (for example, report, presentation, progressive implementation).

3 **Establish the programme**
This can be expressed as a bar chart or, for complex assignments, a network could be drawn up.
The programme requires:
- a list of the major activities in sequence
- a breakdown of each major activity into subsidiary tasks
- an analysis of the interrelationships and interdependencies of major and subsidiary tasks
- an estimate of the time required to accomplish each activity and task
- a resource plan for making available the consultancy skills required at each stage of the assignment
- a time-budget for the assignment which should be in accordance with the proposal, and which budgets time on a weekly basis for each activity and task
- a cash flow forecast, estimating the inflow of fees and the outflow of expenses.

4 **Draw up a consultants' brief**
Additional consultants or subcontractors working on the assignment should be briefed on what they are required to do, how and by when.

5 **Hold 'milestone' or progress meetings**
The timing, purpose and membership of progress meetings should be determined.

6 **Monitor progress**
Arrangements should be made to monitor the progress of the assignment

against the terms of reference, the programme and the time budget. Anything extra that was not in the original proposal and terms of reference should be brought to the attention of your client and his/her agreement in writing obtained for any additional costs that may be incurred or any change in the timetable. The records needed for the purpose of controlling the progress of an assignment are:

- An assignment diary: this should be completed weekly by each consultant on the assignment, recording the activities carried out during the week (cross-referenced to the proposal), the time spent on each activity, and progress against the budget. An example of such a diary is given in Figure 16.
- An assignment control sheet: this should list the activities to be carried out and give the budgeted time for each one and the programmed completion date. The time spent on any activity is entered weekly against the budget for that week. The total time to date allocated to the activity is recorded for comparison with the total time budget (see Figure 17).

Figure 16
Assignment diary

ASSIGNMENT DIARY						
Client						
Type of assignment						
Assignment responsibilities of consultant						
Diary for week ending						
Date	Activity	Time spent	Progress			Expenses incurred (specified)
			Time budget	Time to date	Complete	
Signed (consultant) Date						
Countersigned (consultant in charge) Date						

Figure 17 Assignment record sheet

ASSIGNMENT RECORD SHEET

Client Details

Name .....

Address .....

Telephone no .....

Name of contact (and address and telephone number if different)

Assignment details

Type of assignment .....

Consultant in charge .....

Other assigned consultants

names from to time (days/hours)

Date proposal made Date proposal accepted .....

Date started Date completed .....

Fees and times

	Fee rate	Estimated time	Actual time	Estimated fee £	Actual fee £	Actual expenses[1] £
Consultant in charge						
Other consultants						

Total fees received £

TAX £

Total value of expenses received £

Comments (including follow-up action)

Part Three

THE CONSULTING ORGANISATION

A sound strategy 6

Defining market and strategy

Every consulting firm has a number of options in defining its market and strategy. This section outlines the main steps in applying a systematic approach to strategic management. Strategy should be based on hard data. It is useful to start with a thorough self-diagnosis. In short, such a diagnosis should help to develop a realistic view of your consulting organisation's profile, its position in the profession and its place in the market for its services (see Figure 18).

Preparing a business plan

A business plan is a written summary of what you hope to achieve by being in business, and how you intend to organise your resources to meet your goals. It is an essential guide for operating your service and measuring progress along the way. Planning not only forces you to identify your clients, your market area, your pricing strategy, and the competitive environment within which you will operate, it also establishes what resources, especially in terms of finance, are required and when. Figure 19 shows the steps in developing a business plan.

Figure 18 Developing a consultancy profile

1 Who are you?
- institution focus
- consultancy group focus

2 What have you done?
- achievements (personnel/organisation)

3 What can you do?
- vision
- goals
- business plan

4 How will you do it?
- targets
- budgets

5 The advantage of using you
- marketing

Source: R. Bishop at the Commonwealth workshop on educational consultancy skills, Vanuatu 1992

Figure 19 Developing a business plan

1 Analyse achievements of personnel and organisation
- direct
- indirect

2 Analyse the strengths, weaknesses, opportunities and threats of the internal and external environment
- professional links
- organisation structure
- location
- educational approach/philosophy
- availability of technology
- legal standing
- wider economic situation
- marketing strategy
- competition
- interface with funding agencies

3 Mission
- parameters
- what the organisation wishes to achieve
- ethical standards: what will and won't do

4 Vision
- where you want to be
- what you want to be good at: generalist, specialist, target area

5 Goals
- how to achieve vision
- role
- organisational structure/priorities
- resources
- marketing

6 Business plan to achieve the above
- targets
- budget
- opportune/opportunistic

Source: Robin Bishop at the Commonwealth workshop on educational consultancy skills, Vanuatu 1992

Structuring your consulting organisation 7

Institutional arrangements and operating procedures

There are a variety of structural and institutional arrangements for handling consultancy work. Whatever arrangement is adopted by any particular consulting organisation will reflect many factors, including the organisation's nature and volume of activities, the personalities involved, the strategy chosen, tradition, and the legal and institutional environment. Some teaching institutions in small states will need to create new structures to handle and manage consultancy work. Others will need to develop more formal procedures and structures to replace existing ad hoc arrangements.

In this section we present four case studies as examples of the structures and institutional arrangements currently operating in the universities of small states for handling and managing consultancy work. These are given only as examples and are not blueprints for all situations.

Legal forms of business

There are basically three forms of legal structure:

- sole trader
- partnership
- limited company.

If you are setting up your own business, you should seek legal and accounting advice as each legal form of business has its own advantages and disadvantages with regard to taxation, reporting and liability.

The Malta University Services (case study 5, page 57), like many consulting firms, is established as a corporation (a limited liability company). The corporate form has two fundamental characteristics:

- It is a legal entity that exists in its own right; it is separate from its owners.
- The owners have no personal liability for the obligations and debts of the corporation.

Increasingly, even those consulting units that are internal units of bigger organisations are finding it beneficial to use the corporate form as it enhances their independence, motivation, responsibility and liability.

Operating core

Structuring the operating core of consulting staff is one of the important considerations institutions will need to address, especially in view of the shortage of staff that prevails in most educational institutions in small states. This issue is complicated by the fact that staff may also be teaching and undertaking increased work. This is a dilemma which has to be addressed head-on. Good consultancy work will not result from muddling through.

Professional staff can be organised in more or less permanent units. Consultants may then be assigned to these units according to some common characteristics in their background and/or areas of intervention.

Organisational structure

It would be advisable to use a relatively flat organisational structure. Such a structure encourages collaboration and interaction with peers in the operating core rather than having to refer matters through a chain of command.

Operating procedures

These should cover the conditions governing outside work undertaken by university staff. How are the consultants to be remunerated?

Some of the key considerations are:

- Work out the relationship between the university-based consultant and the primary employer.
- Clearly state the rules about income earned from outside.
- Minimise the opportunities for conflict of interest especially in the manner time is apportioned.
- Ensure an acceptable balance between all the duties.
- Professional liability.

Administrative and support services

Arrangements need to be made for other administrative and support services. Operating consultants are often able to use the client's administrative services though ministers of education, particularly in small states, are very constrained in their staffing complement. The consulting organisation still needs some office staff. No matter how small the staff you decide to have, remember that the work to be done must be done with the efficiency that befits a professional and business organisation.

Apart from general office administration, book-keeping, and accounting, *library* and *documentation* also require careful planning and organisation.

CASE STUDY 3: UNISEARCH PNG PTY LTD

This case study looks at Unisearch PNG Pty Ltd., a company established by the university to handle all consulting, private practice and other outside work carried out by staff of the university.

Facts
Unisearch PNG Pty Ltd
PO Box 320, University, NCD, Papua New Guinea
Phone: (675) 260 130 and 267 654
Fax: (675) 260 127 and 267 187
Telex: NE 22366
Commenced operations: May 1990
Council: shareholders/trustees (2) plus IV-C and Registrar
Board of Directors: shareholders plus 10 directors (mostly academics ex officio); meets annually with the V-C as Chairman
Executive board: 5 directors; meets quarterly with managing director as chairman
Officers: projects manager, administration manager and executive secretary (these three are university employees; the projects manager and the administration manager are lecturers who work part-time for Unisearch)

Functions and objectives

- To undertake consultancy services for private enterprise, government departments and agencies (national, regional and international)

Staff

There is an increasing desire by such outside organisations to engage PNG-based consultants, including university staff, whenever possible instead of individuals and companies based overseas. Local consultants generally have a greater knowledge of, and experience with, Papua New Guinea's socio-economic, environmental and political conditions and are more cost-effective than overseas consultants.

Services

Although most of the work is carried out by academics and senior administration staff, the university also has a wide range of technical skills and services to offer. For example, over the past five years, staff have provided, on a sub-consultancy basis, major specialist inputs into every Environmental Plan and most Socio-Economic Impact Studies prepared by the mining industry in PNG. They have also contributed extensively to pre and post-road construction and evaluation projects.

Since Unisearch PNG commenced operations, university staff working through the company have undertaken more than 30 consultancy projects.

CASE STUDY 4: EDUCATION RESEARCH CENTRE (UWI)

This case study looks at the Education Research Centre, established in response to the need for scholarly research on critical educational issues in Jamaica and the Caribbean region.

Facts
Education Research Centre, Faculty of Education, University of West Indies
Established: 1986

Functions and objectives

- To undertake research in education on a contract basis in accordance with the requirements of any institution or agency.
- To offer consultancy services in a variety of educational areas.
- To provide support services for those undertaking educational research.
- To establish a forum for the exchange of ideas on educational research.
- To disseminate educational research findings.

Staff

The centre draws on a range of highly-qualified and experienced research personnel, including Faculty staff, associates, education managers and postgraduate students.

Services

Research

The centre undertakes various types of research including:

- design, monitoring and evaluation of educational programmes
- research and development in curriculum
- educational surveys
- feasibility studies
- cost/benefit analyses
- prediction studies
- content analyses
- documentary studies
- consultative services.

Consultative services

The centre provides consultative services at all levels of the formal and non-formal and informal educational sectors in areas such as:

- measurement and evaluation
- educational planning
- education technology
- programme development and evaluation
- curriculum innovation and reform
- psychological and sociological issues
- policy development and evaluation.

Support services

The centre provides support services to those undertaking research in education. These include:

- data analysis
- word processing and documentation.

CASE STUDY 5: MALTA UNIVERSITY SERVICES LTD

This case study looks at Malta University Services Ltd. (MUS), a limited liability company, jointly owned by the University of Malta, Malta Government Investment (MGI) and Salford University Business Enterprises Ltd.

Facts
Malta University Services Ltd.
Initial registration: 29 September 1986 under the name *Mediterranean Engineering Design and Business Centre Limited* (MEDABUC)
Name change: present name registered 18 December 1988
Shareholding: Malta Government Investments Limited, 67,000 shares
University of Malta, 33,500 shares
Salford University Business Enterprises Ltd., 11,000 shares
Operational site: the university campus
Insurance: the company is covered by professional indemnity insurance

Functions and objectives

- To make the facilities and expertise of the university available on commercial terms to the community at large.
- To initiate and promote technology transfer.

Services

The company's activities can be grouped into the following divisions:

- technology transfer
- consultancy
- education and training
- testing
- publications.

Education and training courses organised by the company in conjunction with various university departments and outside organisations have included:

- Management Development Programmes
- Accounting, Finance and Economics
- Computer Systems and Applications
- Advanced Manufacturing Technology
- IDPM Courses: courses leading to Parts I and II examinations of the Institute of Data Processing Managers
- Professional Development of Teachers
- Classes in Systems of Knowledge
- Front-line Management for Nurses
- Pharmacy Technicians
- Popular Themes in Astronomy
- Supervision of student summer projects for MDC.

CASE STUDY 6: INSTITUTE OF EDUCATION (USP)

This case study looks at the Institute of Education, University of the South Pacific (USP). The USP Council established Institutes in 1975; there are now seven of them. They work in varying degrees of symbiosis with schools and/or departments within schools.

Overall summary

- The Institutes sincerely feel they have a potentially worthwhile role to play.
- The structure (semi-independent institute) is conducive to efficient response to needs.
- We continuously strive to improve the effectiveness of our operation in order to build as positive an image as possible in the eyes of our employers (the 12 regional governments).

Functions and objectives

- To carry out the consultancy and research functions of the university with emphasis on outreach to the countries of the region.
- To maintain a symbiotic relationship with the Education Department in the School of Humanities.

Staff

Education department staff are available as consultants for the Institutes, but credit course teaching is the priority. Institute staff have some input into credit course teaching, but 'outreach' is the priority. Additional staff are employed on a project by project basis.

Services

How the Institute of Education goes about providing services:

- We may receive requests from ministries/departments of education or heads of non-government educational bodies for our services.
- We keep ministries/departments informed of our expertise, interests and activities.
- We propose activities/projects for ministries/departments to consider. For example, conferences on regional co-operation in aspects of education.
- We establish and seek to maintain links with major aid donors (AIDAB, COMSEC, NZ GOVERNMENT, UNESCO) who either fund an activity we mount, or incorporate IOE/USP staff in projects they mount.
- We establish and nurture links with the rapidly growing body of educational consulting companies, especially in Australia and New Zealand. Our goal is to be a partner in bids for educational projects in our region.

Publicity is seen as a key to gain work for the Institute(s). It is gained through:

- USP bulletin
- thrice yearly newsletter
- annual report
- brochure (not yet produced).

Relationship with USP policy and programmes

Institutes were specifically created to have some staff available for consultancy activities during teaching periods; being free from teaching duties, they are 'on call' for regional travel during the semester.

The USP subsidises the Institutes (albeit reluctantly). It pays core staff salaries, and provides funds for the general running of the Institute. A recent review, the recommendations of which were accepted by the USP Council, has led to maintaining this subsidy. However, Institutes are expected to generate as much income as possible (especially in consultancy fees) to be offset against the subsidy.

We have additional staff paid for by special project funds, for example, Fellow in Science Education, Literacy Project Officer. The employment of these members of staff depends on the life of the project concerned.

The IOE has mounted credit programmes in Educational Administration run on an in-country basis. This work is income generating.

USP policy:

- To contribute to educational development in all member countries by responding to these countries' requests.
- The governing body (the Council) frequently gives directives as to priority areas, for example, assistance to ministries of education in establishing Form 7 schooling.
- Priority is naturally given to credit programmes on campus and by extension (distance) studies.

Questions on case studies 3–6

1 Are there structural and institutional arrangements in these four case studies which could be applied to your institution/particular situation?

2 How would you address the dilemma of possible conflict of interest between consultancy work and teaching/research in institutions such as these?

A proactive marketing approach in consulting

8

Why marketing?

Marketing is essential for success in the consulting business. It is ultimately directed at convincing prospective clients that their needs can be met and their problems solved through your specific services.

Many consultants fail or maintain only a marginal income because of poor marketing; they may not know how to market, do not like marketing, do not want to market or do not have time to market. Participants at the Commonwealth workshop in Vanuatu unanimously confessed that poor or absent marketing skills were their institution's main weakness.

Marketing considerations should have a prominent place in the strategy of educational institutions in small states wishing to enhance their capability for undertaking consultancy work. The environment most institutions operate in is highly competitive, and the situation is even more complex since the competitors are, in many cases, providing the funding for the consultancy.

Market audit and programme

To improve your marketing efforts, you and your teaching institution should start by reviewing and assessing your past marketing practices. A marketing audit is a useful diagnostic tool for this purpose.

Generally speaking the audit would:

- Examine past and current marketing practices (organisations, information base, strategy, programme, techniques, activities, budgets and costs) and assess their contribution to the development of the firm/company/institute.
- Compare the findings with the marketing approach of direct competitors and other consultants.
- Consider what changes in marketing will be necessary in order to meet new requirements of the market.
- Suggest measures for making the marketing function more effective.

A marketing plan

Your marketing programme (or plan) is a document in which you define your marketing objectives and strategy, and determine what measures to take in putting the strategy into effect. It can be a separate document or it can be treated as part of your strategic planning system.

In your marketing plan you should:

1 **Define your skills and services**
You should have a clear idea of the nature of the services you will be offering to potential clients. You may have decided on just one particular area of interest and speciality, or you may have decided on several areas that you will promote as unique areas, either to the same client or to different categories of client.

2 **Target prospective clients**
Identifying possible client consulting opportunities is the next step in the marketing plan.

3 **Increase awareness**
Make the public and potential clients aware of your services and create a demand.

4 **Follow up leads**
Naturally, once interest has been aroused by your effective marketing, you must quickly follow up any lead to arrange a meeting.

5 **Meet prospective clients**
Basically, there are two sorts of meeting:
- When you are following up a general lead and your task is to identify your client's needs and decide how you might help.
- When you are responding to an invitation to 'bid' for an assignment, probably in competition with other consultants. In this case, you may obtain all the information you need to prepare a proposal at a single meeting. Alternatively, it may be necessary to conduct a more extended survey, which might or might not be paid for by the client.

6 **Prepare the proposal**
If the first meeting with your prospective client has been purely exploratory, your proposal may simply outline your understanding of his/her situation, the help you could provide and the benefits to him/her of that help. If you are pitching for a specific assignment, you would set out in detail your definition of the problem, how you intend to solve it, how and when you will do the work and how much it will cost.

Some fundamental principles

Successful marketing in consulting services is guided by some general principles.

1 **Do not sell more than you can deliver**
Marketing creates expectations and makes commitments; over-marketing may create more expectations than your organisation is able to meet.

2 **Do not misrepresent yourself**
The temptation to offer and sell services for which your consulting organisation is not really competent is high.

3 **Never forget that you are marketing a professional service**

The professional nature of your services, your client's sensitivity and the local cultural values and norms must not be lost sight of.

4 **Balance skills and standards**
Aim at an equally high technical performance in marketing and in execution.

5 **Remember that marketing does not end with signing the contract**
Consultants used in the execution of assignments should be of a similar calibre to those involved in the marketing. Also remember that execution has a significant marketing dimension. Effective execution could lead to repeat business, and to obtaining the references required for building up your professional image.

6 **Regard the client's needs and desires as the focal point of all marketing**
Keep your marketing efforts client-centred rather than consultant-centred. Your client wants to be convinced that you understand his/her problem and that you can help him/her, not that you are a brilliant professional.

Marketing techniques

Educational consultants in small states may find the following techniques particularly useful.

1 Networking
Word of mouth is one of the oldest and most efficient ways in which an organisation becomes known to new clients.

2 Professional publications
Writing articles, books and reference publications for managers, academics and professionals in your sector is becoming increasingly popular. Careful choice of publisher is essential, as reputation is important.

3 Public information media
Keeping in touch with the press, television and radio can lead to free media exposure which may be more effective than costly advertising.

- News releases
  If you are about to give a seminar or presentation, consider an advance news release. Find out who the contact person is and phone so he/she will be expecting your news release. Ask him/her what format is preferred and explain why you feel the topic is of interest. A well-written news release may be used by several media.
- Radio and television talk shows
  Identify the appropriate contact person and explain the benefits to the listeners or viewers of your appearance on the programme.
- Quotes and articles
  Cultivate relationships with editors and reporters so you come to be seen as a quotable expert. Articles may be written about you, if you can show some newsworthy feature. Look at economic, social, political or legislative factors for news angles with an effect on the public at large or your target group in particular.

- Letters to the editor
  Write a letter that is topical, relevant and reflects a controversial or divergent opinion; mention that you are a professional consultant in the field. If you are reacting to something previously published, refer to the earlier article.
- Writing articles
  Write articles about your area of expertise that you believe would be of particular interest to the readership of your chosen publication. Articles in leading newspapers and periodicals definitely bring in more new business.

4 Education

- Seminars and workshops
  Invite clients or potential clients to attend a session on a topic of real concern to them. It is essential that participants perceive the seminar as being a direct help. Those who attend are expressing an interest in the topic and in your expertise. They may be potential clients.
- Lectures
  Many organisations or professional associations need speakers for conferences, seminars and training programmes. Identify the contact person and suggest subjects which you could talk about. Fees, if any, may not be high but the publicity is invaluable.
- Teaching
  There are many opportunities to offer your services as a part-time or occasional lecturer on professional courses in your field. You are primarily looking for credibility, exposure and contacts.

5 Advertising

There are various forms of advertising, each with advantages and pitfalls. It is advisable to use a professional public relations or advertising agency for any major (and expensive) advertising campaign.

- Direct mail
  Mailing publicity material is a widely-used technique. A good-quality mailing list is essential. Material should be professionally designed and give meaningful technical information together with evidence of your approach and knowledge of the business. If possible, include something about recent work. A short description of your firm and profiles of senior staff should be included.
- Directories
  It is advisable to be listed in directories that are well-known and enjoy a good reputation since such may be used in establishing a short list of consultants.
- Brochures
  Brochures should be properly designed and contain good-quality information. There are many ways to use them. They can be used in a direct mail campaign or mailed in response to a request for information; they can be left with a prospective client after a meeting; they can be distributed at a seminar or sent out the next day as follow-up.
- Newsletters
  This frequently-used and subtle form of advertising can give you credibility, as well as provide advice to readers. A newsletter can be distributed along with your brochures. Ensure you address the newsletter to key people in target organisations.

6 Professional and social activities

Your professional, social and cultural activities provide opportunities for informal contacts which help make you 'visible' to a number of potential clients. For example, membership of professional bodies, giving talks, serving on committees and working parties, and voluntary social and community service.

- Donating your services
  Donating your service to a worthwhile organisation as a gesture of goodwill can enhance your image and result, directly or indirectly, in referrals. However, you should be cautious about the time involved.

Marketing objectives

Marketing objectives should clearly express what is to be achieved, qualitatively and quantitatively, by marketing activity over a period of time. It is preferable to combine several marketing techniques (reinforcing each other if possible). The mix of marketing techniques to be used should be consistent with your organisation's existing and desired professional image and market penetration on the one hand, and its financial and professional resources on the other.

Newcomers to the consulting business cannot afford to wait until the market comes to them; they have to give priority to techniques that rapidly put them in direct contact with potential clients.

Marketing information system

Marketing requires a considerable amount of information: on markets for services, on individual clients, and on your own marketing activities and capabilities. This information is diverse and voluminous and needs to be organised systematically. This requires:

- definition of the kind of information to be collected, stored and analysed
- determination of the method and frequency by which this information will be updated
- assignation of responsibility for collecting, updating and analysing the information.

Costing and pricing consulting services 9

The right price

Running an effective and efficient business requires that both you and your clients must be convinced that the price of the service and the financial terms of the contract are correct.

A precise definition of services for which your clients can be charged is essential to costing and pricing your consulting service.

The prevailing practice is to charge clients directly for all services provided under a specific client contract, with the exception of services seen as marketing tools, for example, management services, etc. However, the market is likely to be distorted in situations where universities are state-controlled nationally or regionally. Governments expect services at little or no cost arguing that they are already paying for the university and cannot pay for services separately. Institutions in small states are well aware of this context and have to make judgements on what is possible on a case by case basis. Institutions which have set up companies are in a much stronger position to determine market rates with government.

Varying fees

Your fee structure is generally governed by the market-place, you should, therefore, consider adopting a range of fee rates. The minimum rate could be fixed by break-even point analysis and an estimate of your market value in sectors where market rates for consultancy are low. The maximum rate could be fixed by reference to the top market rate for your skills. Consultants sometimes charge less for long assignments where the work is guaranteed.

Fees charged by competitors

You should find out how your competitors calculate fees, what pricing policy they follow and what clients think about their fees. It is equally useful to find out about the fees charged by other colleagues in the profession who are not competitors.

Fees for different market segments

Different segments of your market may require different fees. Some consultants

charge small, non-profit making organisations a lower fee than big multi-national or national business operators.

Promotional fees
Reduced fees are sometimes used in launching a new type of service in order to stimulate potential client interest. Fees can be increased to the normal rate at the end of the promotional campaign.

Subsidised fees
Educational institutions may be required to charge lower fees to some of their clients. This may be possible because of government subsidy whose purpose is to promote consulting and make it available to clients who would otherwise be discouraged by higher fees.

Fees determined by clients
Some government or other agencies may have established maximum levels and are unable to go beyond these.

Congruency of fees to your image

The level of fees charged and fee-setting technique used are both elements of your professional image. Thus, a consultant who positions him/herself as a high-level adviser to managers facing important strategic decisions would charge more than his/her colleague involved in routine operations.

Principal fee-setting methods

There are several methods of fee-setting which reflect differences between jobs and the various views on appropriate ways of remunerating professional services. The prevailing practice is to charge clients in one of the following four ways.

Fee per unit of time

This is the most generally preferred method. You charge a fee for the time spent working with your client.

Flat fee (lump sum)

In this case you are paid for completing a precisely defined project or job. This has several advantages for your client who knows exactly how much the whole job will cost him/her. You must make sure that the job does not cost your client more. This form of fee setting is not to be used if completion of the job depends more on your client than on your consultancy staff.

Fee contingent on results

The so-called 'contingency fees' are paid when specific results are achieved and the size of the fee depends on the size of the results achieved. In theory, this could be the ideal way of remunerating consultants. You are not paid for writing reports but for bottom-line results. In practice, there are problems with such a method:

- You may be tempted to focus on short-term measures producing immediate savings.
- It is often difficult to measure the real results; your client's and your assessment of the results may be different.
- Sometimes the projected results may not be achieved through the fault of your client and you can do nothing about it.

Retainer fee

In this case your fees are calculated on the basis of the number of days worked in a given period. A retainer thus ensures a steady income and it is therefore usual to apply a reduced daily rate.

Other considerations

Daily or hourly rate?

It is quite common to quote a daily rate, although there may be situations (for example, when you are giving intermittent services or advice or regularly working long hours) where an hourly rate is more appropriate. If you assume a seven-hour working day, excluding lunch, your hourly rate is one-seventh of your daily rate. You may want to round this up to take account of lack of continuity.

A daily rate suggests that if you were working full-time for your client, you would not charge extra if you worked longer than your normal hours. On a daily rate, you would be expected to work client hours. In fact, you might find yourself working late with your client's executives. You should take this into account when setting your daily rate and charge accordingly. Even when visiting your client for a day's work away from your base, you would be expected to travel (mainly) in your own time and to arrive at your client's office or factory not much later than his/her normal starting time.

Travelling time

You should always state in your contract that you will charge for travelling time during the assignment. This is quite reasonable if the job involves travelling away from your base.

Expenses

Your contract should state that expenses necessarily incurred during the assignment will be charged at cost. These can include travelling, over-night accommodation, subsistence, long-distance telephone calls, printing, duplicating, computing, the preparation of manuals and training material and large-scale typing.

For travel expenses (fares or mileage) you should charge what your client would expect to allow for his/her equivalent executives.

Your client may request an estimate of your expenses in advance. If possible, avoid giving too firm an estimate. Circumstances might arise in which extra expenses are necessarily incurred and you want to be able to recover them. Your client may also ask for evidence that your expenses have been incurred; you should, therefore, keep a full record and save receipts.

Estimating time

One of the most critical, but also most tricky, jobs you have to do is to estimate the time required to complete the assignment. This is necessary for the preparation of a total cost estimate.

Time estimates should be prepared analytically; that is, the time taken for each activity in each stage of the assignment should be calculated, and the parts added up to produce the total time. An estimate produced in this way provides a good base for monitoring the progress of the assignment. You should regularly compare the actual times with the budget, so that you can take action as necessary to catch up with lost time.

It is advisable to add 10 per cent or so to your first estimate as a contingency, more if you are on unfamiliar ground.

Analytical estimating along the lines described above is the best technique but there will always be plenty of scope for variations. One of the factors you may need to take into account is how much your client will do for him/herself.

Financial and operational control 10

The operating budget

The operating budget is the basic management tool for controlling the financial side of your consulting organisation's operation. The budget should include all expenses your organisation expects to incur during the budget period, and the projected income fixed at a level required for recovering expenses and ensuring an adequate profit. If budget preparation reveals that the budget cannot be balanced, you must review the work plan and the planned expenditure to keep them within realistic limits, and to re-examine the costing, pricing and other assumptions underlying the two sides of the budget.

There are various methods for reducing costs and increasing profits (see Figure 20).

Figure 20 Methods of achieving efficiency and higher profits

1 Sell more
- provide new types of service
- recruit more consulting staff
- use staff time better
- enhance marketing efforts

2 Charge more
- increase fees
- charge for services provided free hitherto

3 Spend less
- reduce overheads (general and expenses)
- execute assignments more effectively

Performance monitoring

The monitoring of the financial performance is an essential management function in consulting organisations. Operational controls have to be established and examined on a relatively short-term basis to enable prompt action. In practice, this will be on a monthly basis in most consulting firms. In Figure 21, we suggest, as a guide, some key controls that could be used in establishing a list that would suit your particular organisation.

An annual performance review/audit is also essential as not all ratios lend themselves to short-term analysis and action. A fall in the backlog of work requires immediate action, whereas the staff structure cannot be changed by short-term measures.

Figure 21 Key monthly controls

- **Forward workload (backlog)**
  Most important; ideally it should be around 3 months and should not drop below 1.5 months; if it is too high, clients are kept waiting for too long.
- **Number of client visits (meetings, surveys) to number of assignments negotiated**
  Indicative of the effectiveness of promotional work; an alternative ratio is volume of new business negotiated per client visit (meeting, survey) which is more precise if assignments vary greatly in extent.
- **Actual and budgeted utilisation of total time**
  Can be computed for all consulting staff or by categories, for example, operating consultants, supervisors; shows not only whether the firm has enough to do, but also whether work is properly scheduled and organised for smooth delivery.
- **Cumulative actual fee-earning days against planned fee-earning days**
  Similar use as previous ratio.
- **Actual and budgeted fee rate**
  Can be computed for all consulting staff or by categories of consultant; helps to assess whether the firm is in a position to apply optimum fees and gives guidance in using the staff in accordance with its technical and income-generating ability.
- **Fees earned against fees budgeted (monthly and cumulative)**
  Indicator of actual programme delivery rate in financial terms.
- **Fees earned against expenses (monthly and cumulative)**
  Indicator of short-term performance in financial terms; can provide early warning of excessive expenses and cash-shortages.
- **Expenses incurred against expenses budgeted (in total and by expense budget lines: monthly and cumulative**
  Permits detailed control by expense lines, providing suggestions for specific expense-cutting measures and for adjustments of budgets owing to price and other changes outside the consultant's control.
- **Monthly billing against monthly fees earned**
  Shows whether the firm is properly organised to process work records and bill the clients as soon as records become available.
- **Number of months of outstanding fees**
  Shows whether fees are collected within normal time limits (4–6 weeks); an alternative ratio is outstanding fees as percentage of total (annual)income.

Source: M. Kubr *Management Consulting: A guide to the profession*, 2nd revised edn., International Labour Office, 1986

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